

MINUTES of the in-camera meeting of the Human Resources and Compensation Committee of Toronto Waterfront Revitalization Corporation held at the offices of Toronto Waterfront Revitalization Corporation, 20 Bay Street, Suite 1310, Toronto, Ontario on Thursday, June 18, 2015 at 2:00 p.m., local time.

PRESENT: Kevin Garland, Chair
Sue Dabarno
Michael Copeland
Mark Wilson

The following additional persons were in attendance, unless otherwise noted, throughout the meeting or only for particular business items as noted in these minutes: John Campbell, President and Chief Executive Officer, Marisa Piattelli, Chief Administrative Officer and Rose Desrochers, Director, Human Resources and Administration.

Also in attendance was Karl Aboud of the Hay Group (“Hay Group”).

The Chair, Kevin Garland, took the chair and with the consent of the Directors, appointed Rose Desrochers 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.

1. Minutes – November 14, 2014 and March 23, 2015

The minutes of the November 14, 2014 and the March 23, 2015 meetings of the Human Resources and Compensation Committee were tabled and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the minutes of the Human Resources and Compensation Committee meeting held on November 14, 2014 and March 23, 2015 be and are hereby approved.

2. Revised Executive Compensation Report

Karl Aboud presented a revised report entitled “The Marketing Pricing Review for Executives” and provided an overview of the report. This report was revised further to discussions at the Human Resources and Compensation Committee meeting of March 23, 2015. The report now includes long term incentives, benefits and retirement data as well as information from the four public sector organizations that participated in the special survey (Build Toronto, Canada Lands Corporation, Infrastructure Ontario and Metrolinx), regressed to the Corporation’s job evaluation points rather than based on respective title match. The report further confirms that the Corporation’s base salaries are generally comparable to those of the private sector and on average have a 5% discount on total cash value against the special survey market of four similar organizations.

3. Staff Salary Recommendations

The Committee reviewed the salary Comparatives for 2015/16 which included anticipated salary treatment for a selection of other public sector organizations and agencies (TTC, Metrolinx & Infrastructure Ontario), private sector corporations (Ellis Don, Eastern Construction, MMM Group, Brookfield Properties and Oxford Properties) and data from the Toronto Board of Trade and The Conference Board of Canada. At the time of the meeting, no salary information from the Corporation's government stakeholders (City of Toronto, Province of Ontario and Government of Canada) had been received.

For reference purposes, Ms. Desrochers provided the Committee with a historical summary of salary comparatives collected over the past seven years and what the Corporation's mid-level salary merit adjustments were in comparison to others. The Corporation's mid-level salary merit adjustments were consistently lower or in-line with the others and never above.

Mr. Campbell advised that the above information was taken into consideration when management deliberated the 2015/16 salary adjustments for the Corporation's staff. The Committee commented on the comprehensiveness and usefulness of the comparative salary information.

Ms. Piattelli referenced the Corporation's pre-established (since 2005) Pay for Performance System for all employees. She advised that this system requires that all employees be evaluated, based on their performance, on an annual basis. She further advised that the Corporation grades all positions through a job evaluation program which was implemented in 2008/09. She advised that the Corporation has adopted a policy of moving employees to the midpoint of their salary range over a period of years (depending on the rating of their performance). She advised that all employees have an opportunity to receive an adjustment to their salaries based on his or her performance rating and position in the salary ranges through a progression adjustment.

Ms. Piattelli tabled the base salary compensation adjustment recommendations for all staff below the Executive level recommending a PFS Merit increase to base salaries, retroactive to April 1, 2015. Discussion ensued and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the following recommendations for PFS Merit increases be and are hereby approved for recommendation to the Board:

Senior Management (Directors only):

AAE Rating	1.5%
AEP Rating	2.0%
EE Rating	2.5%
ASE Rating	1.0%

Professional Management and Support Staff:

AAE Rating	2.0%
AEP Rating	3.0%
EE Rating	4.0%
ASE Rating	1.0%

Ms. Piattelli advised that the application of the above recommendations results in an overall PFS salary adjustment of \$93,565 (1.51% of payroll) plus progression adjustments for thirteen staff of \$20,257 (0.33% of payroll). The total adjustment is therefore \$113,822, or 1.84% of the payroll base. She advised that this percentage is slightly lower than last year's base payroll adjustment of 1.96%.

Mr. Campbell requested approval for a discretionary pool of \$10,000 for recognition of extraordinary performances by non-executive employees due to workload or other conditions. Discussion ensued and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that a discretionary pool of \$10,000 to be used at the CEO's discretion for recognition of extraordinary performances by non-executive employees, be and is hereby approved for recommendation to the Board.

Rose Desrochers and Marisa Piattelli left the meeting. The Chair, Kevin Garland, with the consent of the Directors, appointed John Campbell to act as Secretary of the meeting.

4. Recommendations for Executives

Mr. Campbell tabled the final 2014/2015 PFS forms for the Senior Executive Staff for review and discussion. He advised that in keeping with the Corporation's austerity program he recommended that the base salary for Executive Management employees (C level & V.P.'s) should remain unchanged, that is frozen.

He responded to questions, tabled recommendations regarding variable compensation for executives and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the CEO's recommendations for variable compensation for Executives be and are hereby approved for recommendation to the Board.

5. President and CEO's 2014/2015 Results and 2015/2016 Work Plan

Mark Wilson tabled the results achieved against the CEO's 2014/2015 Work Plan which was performed under contract by Renovo Advisory Services as well as the 2015/2016 Work Plan which is to be performed under contract by Renovo Advisory Services until a new CEO is selected and commences work. Discussion ensued and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the President and CEO's 2015/2016 Work Plan be and is hereby approved for recommendation to the Board.

6. Human Resources Update

Rose Desrochers provided the Committee with a recruitment update advising that the Corporation's employee staff count went from 69 to 68 during the period October 31, 2014 to May 31, 2015. She tabled a current organization chart and advised that as of May 31, 2015 the distribution was as follows:

- 62 – Full-Time Employees (“FTE”)
- 2 – Contract
- 4 - Vacant Positions

Ms. Desrochers tabled information and provided the Committee with an update on the Human Resources Core Elements, highlighting the following:

- Organizational Development/Effectiveness;
- Compensation, Rewards & Recognition;
- Safety and Wellness;
- Human Resources Framework;
- Benefits;
- Talent/Succession Management/Learning & Development;
- Performance Evaluation and Management Planning for Success; and
- Recruitment.

Ms. Desrochers advised that there were five exit interviews completed since the November, 2014 meeting with results indicating that although the Corporation continues to be a flat organization with little room for employee advancement, the culture and environment at Waterfront Toronto continues to be welcoming and the work continues to be rewarding. She also advised that staff Townhalls (after Board meetings) are viewed as a positive activity and staff appreciate senior Management's update on the corporation's vision and strategic direction. Since May 2014, seven staff members have received ten year service awards and thirty six staff members have received five year service awards. However, with the recent departures of seven staff members and the uncertainty around future funding, there is also nervousness among staff regarding the future.

Ms. Desrochers advised that the Corporation is currently recruiting for the following four positions: Director of Development Approvals (new), Director of Design (replacement), Director of Planning (replacement) and an Accounting Manager (replacement).

Ms. Desrochers advised that there were no new guidelines to be tabled.

7. 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 4:00 p.m. local time.

Committee Chair

Secretary