



August 19, 2016

ACTION REQUIRED

To: Finance & Audit Committee

From: Dianne Young
Chief Executive Officer

Subject: **Revised Exhibition Place Compensation Plan**

Summary:

This report recommends an updated 2015 Compensation Plan for all non-unionized positions / employees (excluding the five executive management positions) to replace the 2003 Compensation Plan.

Recommendations:

It is recommended that the Finance & Audit Committee:

- (a) Adopt the recommendations contained in Confidential Attachment I;**
- (b) Direct that Confidential Attachment I to this report remain confidential in its entirety and not be released publicly in accordance with the *City of Toronto Act, 2006*, as it pertains to personal matters about identifiable individuals, including municipal or local board employees; and,**
- (c) Receive for information KORN FERRY / Hay Group report attached as Appendix A to the Confidential Attachment I and direct that the KORN FERRY / Hay Group report remain confidential in its entirety and not be released publicly in accordance with the *City of Toronto Act, 2006* as it pertains to personal matters about identifiable individuals, including municipal or local board employees.**

Financial Impact:

The financial impact is as noted in the Confidential Attachment I.

Decision History:

The Exhibition Place 2014 – 2016 Strategic Plan had an Organizational & Staffing Goal *to effectively monitor costs and revenues* and as a Strategy to support this Goal *we will review, revise and develop new policies and processes that address general organizational matters.*

At its meeting of April 25, 2003, the Board approved of a new compensation plan for all Exhibition Place management / exempt staff in Board approved positions.

At its meeting of February 12, 2016, the Board approved Report No. 2 entitled “Executive Compensation Plan”.

<http://www.explace.on.ca/database/rte/files/Item%202-Executive%20Compensation%20Plan.pdf>

Issue Background:

This report provides background information on the process undertaken to review and update the 2003 Exhibition Place Compensation Plan and recommends a new 2015 Compensation Plan.

Comments:

As noted in the Decision History, in 2003, the Board approved a Compensation Plan for all management / exempt Board employees. At that time, the Board had engaged Hay Consultants to assist with this process and the basis for the 2003 Compensation Plan was job evaluations through the Hay Group Guide Chart-Profile Method which was the same process used by the amalgamated City of Toronto in 1999/2000. With the reorganization in 2008, the new jobs created within the establishment were evaluated by Mercer but again on the basis of the Hay Profile Method. The proposed Revised Compensation Plan is also based on the Hay Profile Method of evaluation.

This Hay Profile Method is a process that ranks jobs logically and fairly by comparing job against job or against a pre-determined scale to determine the relative importance of jobs to an organization. The areas of evaluation for job families include skill, experience and knowledge; degree of autonomy; geographical scope; nature and environment; thinking challenge; and portfolio size (e.g., revenues, operating budgets, etc.). The Hay points have two core purposes: one is to rate and rank jobs in order to establish internal equity and the other is to facilitate compensation comparisons to the external marketplace.

The 2003 Compensation Plan had 16 Pay Bands / Pay Ranges and while the Pay Bands have not changed since 2003, the Pay Ranges have generally increased by the annual CPI increases adopted by City Council. Any new positions introduced into the organization since 2003 were evaluated through the Hay Profile Method and placed in one of the approved Pay Bands / Pay Ranges.

As part of the 2014-2016 Strategic Plan, a tactic was set to update all job descriptions and then with the consultant KORN FERRY / Hay Group undertake a market review of the Compensation Plan given the significant changes to the Exhibition Place organization since 2000 which included the following:

- Terminating the agreement in 2008 with the private sector manager of the exhibition business and bringing that business in-house
- The introduction of 14 tenants on the grounds which are serviced by Exhibition Place
- Construction and opening of the Allstream Centre in October 2009 and introduction of the conference / meeting business on the grounds
- Independence and separation of the CNEA as a program of Exhibition Place in April 2013

Generally, the main directions being recommended in the Confidential Attachment are as follows:

- Implement a revised 2015 Exhibition Place Compensation Plan for all non-unionized management / exempt staff excluding only the five executive positions;
- Adopt the same Hay Compensation Market Database recently used for the analysis of the executive positions;
- Implementation Date to be effective January 1, 2016 which is the same as the implementation of the executive positions compensation plan;

- The revised 2015 Plan is to be prospective not retrospective as per past practice at the Board; and,
- Monetary values provided in the 2015 proposed plan will be updated in accordance with the Council direction on COLA increases for City employees effective January 1, 2016.

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