

TRANSMITTAL NO. 2024-177
(Public)

September 20, 2024

To: Neethan Shan, Acting Chair, Toronto District School Board (TDSB)

This communication is to inform you of a recent decision made by the TLC Board at its meeting on September 19, 2024, with respect to the report **Adjusting Citizen Member Compensation Cap**, attached herein.

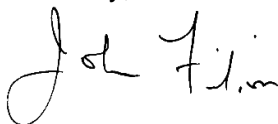
The TLC Board decided:

That the TLC Board request the TDSB Board approve a revision to the 2008 TDSB Board Remuneration resolution to compensate TLC Board members as follows, effective following the TLC Organizational Board meeting in November 2024:

1. That Citizen Board members be remunerated as follows:
 - Chair, as a Citizen Director, \$15,000 per annum
 - Vice Chair, if a Citizen Director, \$5,000 per annum
 - All other Citizen Directors, \$2,500 per annum
2. That all Citizen Board Members receive an additional \$250 for each official Board and Standing Committee meeting of which the individual is a member.
3. Citizen members attending meetings in an ex-officio capacity will not receive remuneration for attending the meeting; and
4. Board members who are not citizen members are not eligible for remuneration.

On behalf of the Board of Directors of the Toronto Lands Corporation, the report, **Adjusting Citizen Member Compensation Cap**, is being forwarded to the TDSB Board at its meeting of October 9, 2024, for approval.

Sincerely,



John Filion
Chair, TLC Board

cc. Leola Pon, Associate Director, Organizational Transformation and Accountability, TDSB
cc. Paul Koven, Executive Officer, Legal Services
cc. Craig Snider, Executive Officer, Business Services, TDSB
cc. Ryan Glenn, Interim CEO, TLC

Adjusting Citizen Member Compensation Cap

COMMITTEE: HUMAN RESOURCES & NOMINATING COMMITTEE
DATE: July 24, 2024
ACTION: Decision

COMMITTEE RECOMMENDATION

That the TLC Board request the TDSB Board approve a revision to the 2008 TDSB Board Remuneration resolution to compensate its members as follows, effective following the TLC Organizational Board meeting in November 2024:

5. That citizen Board members be remunerated as follows:
 - Chair, as a citizen director, \$15,000 per annum
 - Vice Chair, if a citizen director, \$5,000 per annum
 - All other Citizen Directors, \$2,500 per annum
6. That all citizen Board Members receive an additional \$250 for each official Board and Standing Committee meeting of which the individual is a member.
7. Citizen members attending meetings in an ex-officio capacity will not receive remuneration for attending the meeting; and
8. Board members who are not citizen members are not eligible for remuneration.

STAFF RECOMMENDATION

1. That the committee select one of the options presented in the report and recommend to the TLC Board and TDSB Board of Trustees a preferred approach to future TLC Board remuneration.

EXECUTIVE SUMMARY

As remuneration payments were being prepared for TLC's Citizen Directors for the first half of the fiscal year (September 2023 – February 2024), it was evident that other than the Board Chair, citizen members had already exceeded, or were very close to exceeding, their maximum number of meetings eligible for compensation. Under the current formula, these board members will not be remunerated for attending meetings in the second half of the year.

Following discussion with the Board Chair and TDSB executive staff, a report without recommendation was prepared for the May 9, 2025, meeting of the Human Resources, Nominating, and Governance

Committee to facilitate a full discussion, with the option of recommending an adjustment to this approach for the 2024-25 fiscal year.

The Committee directed TLC staff to update its report to include additional information on past remuneration, data on past meeting schedules and budgets, practices around scheduling meetings, and options on revisions to be submitted to the TDSB Board. This report responds to that direction.

STRATEGIC DIRECTION

TDSB Strategic Plan Goal: Allocate Human and Financial Resources Strategically to Support Student Needs
As citizen board members give their time and expertise to support the development of educational resources and student spaces, the allocation of financial resources to support those efforts is an important consideration.

TLC Strategic Plan Goal: To be a highly functioning organization successfully aligning TLC's and TDSB's Missions and the Shareholder Direction
A clear policy for compensating citizen directors for their work should be established as part of TLC's mission to ensure effective communication between TLC and TDSB.

ACTION PLAN AND ASSOCIATED TIMELINE

If the Board of Directors determines that an amendment to the current policy would be appropriate, it will make a final recommendation to the TDSB Board of Trustees at its meeting on September 19.

RESOURCE IMPLICATIONS

The resource implications will depend entirely on the board's decision, whether it is supported by the TDSB Board of Trustees, and the number of meetings scheduled in future years. Based on recent years, it is unlikely that the current remuneration budget would require adjustment.

DUE DILIGENCE

N/A

POLICY AND PROCEDURE REFERENCE(S)

N/A

APPENDICES

- APPENDIX A Staff Report on Options for Citizen Board Member Remuneration
- APPENDIX B Review of Annual TLC Meeting Totals and Remuneration Expenditures

APPENDIX C Review of Statutory Reports and Minimum TLC Board Meeting Requirements

APPENDIX D Jurisdictional Scan of Remuneration for Toronto Agencies and Boards

FROM

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Markus O'Brien Fehr, Communications & External Relations Liaison, Toronto Lands Corporation, at mo'brienfehr.tlc@tdsb.on.ca or at 416-788-3211

APPENDIX A – STAFF REPORT ON OPTIONS FOR CITIZEN BOARD MEMBER REMUNERATION

Origins of the TLC Citizen Member Cap on Remuneration

At its regular meeting of October 29, 2008, the TDSB Board of Directors established a formula for citizen member remuneration as an amendment to the Toronto Lands Corporation Budget, 2008-09. The formula was established as follows:

- (a) That the budget line for Board remuneration be adjusted to reflect the following:
 - (i) That citizen Board members be remunerated as proposed in the budget:
 - Chair, if a citizen member, \$15,000 per annum and \$250 per meeting;
 - Directors, except the Chair, \$2,500 per annum and \$250 per meeting to a maximum of \$5,000 per annum;
 - (ii) That citizen Board members be paid a per diem of \$500 for approved Board-related business;
 - (iii) That trustee Board members receive no remuneration.

This formula has been followed since the inception of TLC. Section 4.4 (Remuneration) for the Shareholder's Direction states, "the remuneration of the Directors of TLC will be as determined by TDSB from time to time," though this has not been addressed over the past 16 years.

Though records indicate that some overpayments to individual directors have occurred in past years, TDSB finance staff have confirmed that this resolution guides all TLC remuneration payments and is interpreted to mean that a citizen member, except the chair, will receive no more than \$2500 for attending individual meetings. TDSB staff have confirmed that overpayments that occurred were the result of accounting errors in that year and should not be taken as an alternate interpretation of the 2008 resolution.

Past Meeting Schedules and Financial Impact

This report examined meeting schedules and Board and Committee attendance records dating back to 2016 (Appendix B). Meeting numbers were pulled from past attendance reports, and payment numbers were verified with TDSB Finance Staff

The number of Board and Committee meetings has varied greatly each year, between 11 (2016-17) and 21 (2020-21) and have tended to be higher in years with a turnover of board members. The meeting reviewing this report will be the 24th meeting in the 2023-24 cycle.

The actual remuneration amounts paid ranged from \$38,291 to \$46,314. However, for the majority of years, one or more citizen board members exceeded the remuneration cap and were unpaid for meetings.

Looking at the current year, the estimate for member remuneration is \$36,000. There will have been 17 meetings for which directors participated without compensation, which would have been worth an additional \$4,250. The combined value of \$40,250 would be a reasonable budget maximum with four citizen board members, even if a remuneration cap were removed in future years

Process for Establishing the TLC Meeting Schedule

TLC's meeting schedule has changed over time, involving different board members and staff. Establishing a "usual" protocol for developing an annual schedule is difficult.

However, schedules are generally drafted by TLC staff in October for the following year, in consultation with the Board and Committee Chairs, with efforts made to align to the TDSB meeting schedule also being created around the same time. The draft schedule is generally tabled at an Organizational Meeting of the Board in November.

TLC staff tabled a proposed schedule for 2024 at the Organizational Meeting of the Board of Directors on November 16, 2023, for the current year. This schedule was designed to align more closely with the TDSB Priorities and Planning Committee meetings, which would consider all TLC recommendations to the TDSB. The schedule was adopted in principle at the meeting with the caveat that meeting space availability at the Toronto Reference Library was to be confirmed.

The board considered and adopted revisions to this schedule on December 5, 2023, and January 16, 2024, adapting to changes in the TDSB schedule. Since those revisions, the February meeting of the Human Resources, Nominating, and Governance Committee was canceled due to a lack of agenda material, while special meetings of the same committee were scheduled in April and July to adjust to the later workload.

Minimum Meeting Requirements and Future Budget

The statutory reports required by the Shareholder's Direction guide the minimum number of meetings that would be prudent for TLC Board and Committee scheduling (see Appendix C). TLC staff anticipate that this will form the basis for future scheduling proposals.

With a total schedule of 17 meetings and the likelihood that citizen members would be sitting on more than one committee, all citizen members would probably exceed a \$2,500 cap for meeting participation in future years.

Additional "special" meetings are also possible should the workload dictate their necessity. Section 4.1.2 of the TLC Bylaws allows for special meetings of the TLC Board or Committees at the call of the Chair in consultation with the CEO or designate.

It is difficult to accurately forecast a precise remuneration budget without a compensation cap based on the possibility of additional meetings. However, Appendix B illustrates the remuneration in 2023-24 without a cap and seems a realistic basis for budgeting moving forward with four citizen directors.

Jurisdictional Scan

As part of the remuneration review, TLC staff reviewed several public agencies, commissions, and boards to compare board member compensation (see Appendix D). Though some boards offer significantly higher remunerations, especially in areas requiring significant professional tools and expertise, many other examples offer no remuneration and are strictly voluntary. The broad range of compensation levels

makes it difficult to recommend any change to the remuneration numbers, especially in the current context of the TDSB budget pressures.

Options for Future Remuneration

As the board's current configuration has a limited number of members and three committees feeding into its workload, it is almost certain that citizen members will be asked to attend more than the 10 meetings per year for which they are currently compensated.

Section 4.4 of the Shareholder's Direction gives the TDSB responsibility for adjusting board remuneration. As the TDSB Board of Trustees established the current formula by motion, the Trustees would most appropriately consider any alteration following a request by the TLC.

The TLC Board may wish to consider any of the following as options:

- 1) Recommend a reinterpretation of the current formula establishing the \$5,000 maximum as additional to, rather than inclusive of, the \$2,500 annual retainer. This approach could change the implementation of the policy without substantially altering its wording with the effect of compensating citizen members for up to 20 meetings annually.
- 2) Recommend the removal of the term "maximum" in the remuneration policy compensating citizen members for any meeting deemed officially necessary by the Board. This approach is consistent with the TDSB's Honoraria for Trustees Policy (P074).
- 3) Recommend no change, keeping the recent practice of not paying for meetings over the current maximum in place.

It is suggested that any requested alteration to the policy's current wording also contemplate the inclusion of TDSB Staff as members of the TLC Board of Directors and identify whether they are eligible for remuneration.

APPENDIX B - Annual TLC Meeting Totals and Remuneration Expenditures

Fiscal Year	Meetings	Cumulative Unpaid Meetings	Total Remuneration Paid	Total Unpaid due to cap	Total without cap
2016-17	11		\$40,792		\$40,792
2017-18	13	1	\$42,500	\$250	\$42,750
2018-19	15	4	\$38,500	\$1,000	\$39,500
2019-20	12		\$39,833		\$39,833
2020-21	21	22	\$43,842	\$5,500	\$49,342
2021-22	20	23	\$46,314	\$5,750	\$52,064
2022-23	8		\$38,291		\$38,291
2023-24	24	17	\$36,000 ¹	\$4,250	\$40,250
2024-25	18	8 to 18	\$34,500 ¹	\$4,500 ²	\$39,000

1 Estimate based on current formula, committee composition and attendance.

2 Estimate based on maximum participation at 18 meetings, additional meetings would be possible.

Appendix D - Jurisdictional Scan, Remuneration for Toronto Agencies & Boards

<u>Organization</u>	<u>Position</u>	<u>Retainer</u>	<u>per Meeting</u>	<u>Maximum</u>
Create TO	Chair	\$50,000	\$500	\$70,000
	Member	\$10,000	\$500	\$20,000
Exhibition Place	Chair	n/a	n/a	n/a
	Member	n/a	n/a	n/a
Toronto Hydro	Chair	\$75,000	n/a	n/a
	Member	\$12,500	\$1,000	n/a
Toronto Licensing Tribunal	Chair	\$18,000	\$350	n/a
	Member	n/a	\$350	n/a
Parking Authority	Chair	\$10,000	n/a	\$10,000
	Member	n/a	\$500	\$7,500
Police Services Board	Chair	\$90,963	n/a	n/a
	Member	\$8,750	\$350	\$15,750
Toronto Public Library	Chair	\$850	n/a	n/a
	Member	\$350	n/a	n/a
TO Live	Chair	n/a	n/a	n/a
	Member	n/a	n/a	n/a
Toronto Transit Commission	vice-Chair	\$10,000	\$450	n/a
	Member	\$5,000	\$450	n/a
Waterfront Toronto	Chair	\$30,000	\$500	n/a
	Member	\$5,000	\$500	n/a
Toronto Zoo	Chair	n/a	n/a	n/a
	Member	n/a	n/a	n/a