

Provide the information required for each section. Refer to the [Broader Public Sector Executive Compensation Guide](#) for additional instructions and assistance with completing this form.

A. Compensation Philosophy	Provide information on the designated employer's compensation philosophy including details on how the executive compensation program supports the employer's strategic objectives and what the program, including its approach to performance-related pay, is designed to reward.
B. Designated Executive Positions	List all designated executives at the designated employer. If applicable, indicate the class or category of each designated executive position as it relates to the salary and performance-related pay structure in the executive compensation program.
C. Salary and Performance-related Pay Caps	
Comparator Selection	Provide information on the comparators used to benchmark salary and performance-related pay at the designated employer for each designated executive position or class of positions. Provide a rationale for the chosen comparators.
Comparative Analysis Details	Provide information on the percentile used to benchmark the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on the methodology used to determine salary and performance-related pay can provide useful context.
Structure	Provide information on the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on the salary ranges and performance-related pay structure can provide useful context.
D. Salary and Performance-related Pay Envelope	Provide the sum of salary and performance-related pay paid to designated executives for the most recently completed pay year. In addition, provide the maximum rate of increase to the salary and performance-related pay envelope. Additional information on why changes are necessary and how they were determined can provide useful context.
E. Other Elements of Compensation	<p>Provide information on any proposed compensation elements, other than salary and performance-related pay, that would be provided to designated executive positions or classes of positions but that are not generally provided in the same manner and relative amount to non-executive managers.</p> <p>Include rationale outlining the critical business reasons that justify the provision of each proposed element of compensation.</p>
F. Supplemental Information	Provide any additional information required to support or explain the information included in the executive compensation program.

Provide the contact information of the person completing this program.

Contact Information

Organization (Full Name)

[McMichael Canadian Art Collection](#)

Completed By

Last Name

[Donnell](#)

First Name

[Jenny](#)

Middle Initial

Job Title

[Manager, Human Resources](#)

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A. Compensation Philosophy

Provide information on the designated employer's compensation philosophy including details on how the executive compensation program supports the employer's strategic objectives and what the program, including its approach to performance-related pay, is designed to reward.

McMichael's compensation philosophy applies to all levels through the organization and is based on providing a competitive (market based) compensation to all levels of employees that:

- is capable of attracting and retaining top quality staff at all organization levels, who will contribute to McMichael's goals and vision to be recognized as an extraordinary place to visit and explore Canadian culture, identity and the art of Canada;
- is broad banded to recognize respective competencies of skill, knowledge and behaviour within McMichael;
- permit an employee's growth and development within their range;
- demonstrates a fair and equitable compensation of its employees at all organizational levels
- supports McMichael's commitment to comply with Ontario's regulation 304/16 and to operate within its fiscal means.

Salary classification structure is based on a multiple level pay bands/salary ranges, compensating positions considering competencies required, nature and level of responsibilities of the job being performed, accountability to set and achieve the goals of the organization.

Executive compensation takes into consideration the accountability for the Executive to determine the scope, direction, and overall goals of the organization. Designated executives are signing authorities and ministry signatories and must ensure overall government compliance. Designated Executives work with and provide input to other functions and are required to consider the overall strategic direction of the organization, including working within available funds, complying with Ministry guidelines, regulations and best practices and for creating a healthy place for all staff to work. The Executive positions herein listed are named positions under the definition of the act.

McMichael's current compensation strategy is to annually budget for all staff to receive a cost of living that is at or near the Cost of Living established within the Broader Public Sector (BPS), and based on the organization's fiscal performance. Annually, the McMichael does benchmark salaries against related comparators: salaries that are within the 30-50th percentile are highlighted, and may be adjusted based on organization fiscal performance and annual budget planning, in accordance with the greater compensation priorities of the Ontario government.

The McMichael does not provide any elements of compensation that are different for executives versus non-executives. Executives will receive cost of living adjustments that are budgeted for all staff.

B. Designated Executive Positions

List all designated executives at the designated employer. If applicable, indicate the class or category of each designated executive position as it relates to the salary and performance-related pay structure in the executive compensation program.

Full Job Title	Class of Position	
E.g. Chief Operating Officer	E.g. VP-1	
Executive Director	Designated Executive as per BPS	-
Director, Finance & Operations	Designated Executive as per BPS	-
Add Designated Executive Position (+)		

C. Salary and Performance-related Pay – Comparator Selection

Provide information on the comparators used to benchmark salary and performance-related pay at the designated employer for each designated executive position or class of positions. Provide a rationale for the chosen comparators.

Comparators 1

Remove (-)

Executive Positions or Classes of Positions Benchmarked
Executive Director, CEO, President

Canadian Public Sector or Broader Public Sector Comparators

Organizations (e.g. Organization 1, Organization 2, Organization 3, etc.)

1. Art Gallery of Ontario 2. Glenbow Museum 3. McCord Museum 4. Gardiner Museum 5. National Gallery of Canada 6. Toronto International Film Festival (TIFF) 7. Evergreen Brick Works 8. Toronto Festival of Arts, Culture & Creativity (Luminato) 9. Canadian Film Centre

Positions or Classes of Positions (e.g. Chief Financial Executives)
Executive Director

Rationale for Selected Comparators

McMichael's chosen comparators are organizations that meet at least one of the following 'public sector' criteria:

- Established by legislation or statute;
- Receive significant public funding;
- Required to disclose compensation under public sector salary disclosure rules.

Five of the nine comparators are from the Ontario Broader Public Sector and the other four are deemed as being Canadian Broader Public Sector or other Provincial sector, as they receive significant public funding.

All comparators are focused on arts and culture.

1) Scope of responsibilities: Like the McMichael, chosen comparator organizations #1-9 all have a position with a similar level and scope of responsibilities and accountability as the Executive Director at the McMichael; scope includes reporting to Board of Trustees, working collaboratively and in partnerships at the local, national and international level; all organizations, operate in the multidisciplinary fields of art, culture, education, retail, and rentals. The Executive Director of all comparators is responsible for substantial asset management and to oversee direct reports that may or may not include additional Executive class members. Like the McMichael, the most senior executive position of the comparators reports to a Board of Trustees and are responsible to direct the strategic operation of the organization.

2) Type of operations the organization engages in: All chosen comparator organizations are from the broader public sector and in addition, have a significant portion of self-generated revenue; all are not-for-profit, and all are governed by a level of government and require governance compliance. In addition to the visual arts, the McMichael strategic direction is to promote the Art of Canada, which includes art of all genres, including music and film. It is for this reason, that in addition to art galleries, comparator organizations included two film-focused comparators. All comparator organizations have operations that promote art and culture to the international, national and tourist markets and extend the reach of the Canadian Arts. The McMichael strategic direction is to engage a wider and broader audience. All comparator organizations are multi-disciplinary in their public offerings – from their core product to additional services, such as event planning, functions, or space rentals - which brings with it a complex management oversight. 7 of the 9 comparator organizations also operate a retail sales shop and/or online sales. All comparator organizations are focused on the public/visitor service experience where customer service standards are paramount.

3) Industries within which the organization competes for executives: All comparator organizations selected are cultural institutions with same clientele from across regional, national and international markets. All have a mission of attracting broad and diverse audiences. 8 of the 9 comparators are art galleries, museums or festivals that display the visual arts. The majority of the comparator organizations receive public funding, and are funded through combination of self generated revenue and government support. The McMichael strategic direction is to attract audiences from the international and national level. This strategic direction is a contributing reason that the current

Executive Director was chosen from an overseas pool of candidates.

4) Size of the organization: Majority of comparator organizations have a similar size operating budget and number of paid staff. Although three of the nine comparator organizations are larger in budget (AGO, NGC, TIFF), they operate within in the same scope and have a combination of full time, hourly staff and volunteers that provide services, and the McMichael is larger in size of grounds oversight. Five of the comparators are within the same size with respect to budget and number of staff; one comparator is under in size. The McMichael manages a substantial size of assets and grounds and services on a year round basis.

5) Location of the organization: All comparator organizations are within Canada, 7 of the 9 are in Ontario, and 6 of the 9 comparators operate within the Greater Toronto Area. Those outside of Ontario have a similar cost of living; including the Montreal and Calgary comparators. The geographic reach percentage of audience from abroad would be equivalent in all comparators.

The designated employer received approval from the President of the Treasury Board to use private sector and/or international comparators for these executive positions or classes of positions.

Comparators 2

Remove (-)

Executive Positions or Classes of Positions Benchmarked
Director, Finance & Operations

Canadian Public Sector or Broader Public Sector Comparators

Organizations (e.g. Organization 1, Organization 2, Organization 3, etc.)

1. Art Gallery of Hamilton 2. Glenbow Museum 3. McCord Museum 4. Science North 5. Gardiner 6. National Gallery of Canada 7. Evergreen Brick Works 8. Ontario Science Centre 9. Royal Botanical Gardens

Positions or Classes of Positions (e.g. Chief Financial Executives)

Director, Finance & Administration; Director, Finance; CFO

Rationale for Selected Comparators

McMichael's chosen comparators for this Executive position are organizations that meet at least one of the following 'public sector' criteria:

- Established by legislation or statute;
- Receive significant public funding; and are
- Required to disclose compensation under public sector salary disclosure rules.

Five of the nine comparators are from the Ontario Broader Public Sector and the other four are deemed as being Canadian Broader Public Sector or other Provincial sector, as they receive significant public funding.

1) Scope of responsibilities: Like the McMichael, comparator organizations #1-9 all have a position with a similar cross disciplinary level and scope of responsibilities as the Director, Finance & Operations; scope includes financial oversight, governance compliance, participation in financial and business forecasting at a leadership level, and some, as McMichael, include oversight of the Facility & Operations. The lead Financial position in all comparators is the signatory and primary point of contact for financial queries and oversight.

2) Type of operations the organization engages in: Like the McMichael, all comparator organizations are not-for-profit and are required to follow applicable not-for-profit accounting standards. There is a combination of government funding and self-generated revenue, which take different financial forecasting procedures into account. All comparators are multi-disciplinary in their public offerings, which have different forms of forecasting and complexity of operations management. All the comparator organizations used for this executive position also operate a retail sales shop and/or online sales, which adds an additional level of financial complexity. All comparator organizations are focused on the public/visitor service experience where customer service standards are paramount, adding an level of administrative oversight.

3) Industries within which the organization competes for executives: Like the McMichael, comparator organizations #1-9 are not for profit cultural institutions; some comparator organizations act as Finance officer for the Foundation

as well as the organization. This executive position, for all comparators, works with the Finance Committee of the Board for financial oversight.

4) Size of the organization: All comparators, excluding #6 & 8 have a similar size operating budget and number of paid staff. The size of the McMichael grounds and corresponding management oversight and safety responsibilities of the McMichael is larger than the comparators in most all cases.

5) Location of the organization: All comparator organizations are within Canada (primarily Ontario) with a similar geographic reach and labour market / cost of living and tax structure.

The designated employer received approval from the President of the Treasury Board to use private sector and/or international comparators for these executive positions or classes of positions.

Add Position or Class of Positions Benchmarked (+)

C. Salary and Performance-related Pay – Comparative Analysis Details

Provide information on the percentile used to benchmark the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on the methodology used to determine salary and performance-related pay can provide useful context.

A table of the comparators salaries and calculation of 50th percentile is inserted below.

Salary information was based on any of: information shared between organizations, information retrieved from comparator organizations' websites, information in public annual reports, and information data obtained from the Public Sector Salary disclosure list. <https://www.ontario.ca/page/public-sector-salary-disclosure-2016-all-sectors-and-seconded-employees>

The tabulation shows that the executive salaries of the McMichael are currently at or below the 50th percentile maximum salary cap.

A contributing factor to salary ranges being below industry standards is that there was 2.5 years of salary freeze as initially directed by the BPS directive where no adjustments to ranges were made and other years where no cost of living due to McMichael budget restraints were given, and no adjustment to ranges was applied.

Salary (\$'000) of Executive Director Comparators

(in random order)

A 190.0
B 242.4
C 225.0
D 250.0
E 350.0
F 352.6
G 255.3
H 300.0
I 297.4

50th percentile = 255.3

Salary (\$'000) of 'Director, Finance & Operations' Comparators

(in random order)

A 159.0
B 125.0
C 124.0
D 140.0
E 110.0
F 190.3
G 134.0
H 113.0
I 105.0

50th percentile = 125.0

C. Salary and Performance-related Pay Structure

Provide information on the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on salary ranges and performance-related pay structure can provide useful context.

Executive Position or Class of Positions	Salary Range Minimum (\$)	Job Rate (\$)	Salary Range Maximum (\$)	Target Annual Performance-related pay (% of Salary)	Maximum Annual Performance-related Pay (% of Salary)	Salary and Performance-related Pay Cap (\$)
E.g. President	E.g. 200,000	E.g. 220,000	E.g. 240,000	E.g. 7.5	E.g. 10	E.g. 264,000
Executive Director		\$225,000	\$250,000			\$255,300
Director, Finance & Operations		\$106,575	\$113,000			\$125,000

Add Position or Class of Positions (+)

D. Salary and Performance-related Pay Envelope

Provide the sum of salary and performance-related pay paid to designated executives for the most recently completed pay year. In addition, provide the maximum rate of increase to the salary and performance-related pay envelope. Additional information on why changes are necessary and how they were determined can provide useful context.

Sum of Salary and Performance-related Pay for the Most Recently Completed Pay Year (\$)	Maximum Rate of Increase to Envelope (%)
\$331,575	5.0

Rationale for the Proposed Maximum Rate of Increase:

Executive compensation trends in the industry in which the McMichael competes for executives from the comparator analysis, identify that our designated executives are behind industry trends. The current salary of the two executive named positions are below the market 50th percentile as calculated through the benchmarking exercise. Although we only intend to give the annual cost of living, budgeted at 1.5%, it may be necessary that we move our compensation envelope to a maximum rate of 5% each year to retain executive talent and to gradually meet industry benchmarks, as shown by the compensation study.

The maximum annual compensation adjustment to meet the 50th percentile of the comparators would require an increase of 13.5% and 17.5% to the current executive positions. Understanding that such increases are not realistic within fiscal budget restraints, responsible fiscal management, or the compensation priorities of Ontario, the McMichael will restrict the increase to the salary envelope by a maximum of 5% per year up to the point of meeting the 50th percentile. By implementing a maximum 5% increase each year, the McMichael can retain its existing talent and is able to focus on strategic objectives including capital expansion and growth that is part of its strategic plan.

The 5% increase is in line with the financial and compensation priorities of the Ontario government and the industry trends where we compete for executives, and is in line with what has been approved at comparable designated BPS employers. Applying the 5% increase, the percentage of executive salaries to operating budget will be in line with our comparators.

Should there be a change in personnel for these positions, we would need to increase the envelope in order to attract appropriate talent. Should there be additional named executive position(s), this envelope would increase, and a new program will be submitted as per the Directive.

E. Other Elements of Compensation

Provide information on any compensation elements, other than salary and performance-related pay, that would be provided to designated executive positions or classes of positions but that are not generally provided in the same manner and relative amount to non-executive managers.

Include rationale outlining the critical business reasons that justify the provision of each element of compensation.

Element 1

[Remove \(-\)](#)

Element of Compensation

None

Positions or Classes of Positions

Rationale

[Add Other Compensation Elements \(+\)](#)

F. Supplementary Information

Provide any additional information required to support or explain the information included in the executive compensation program.

File Name		Size (MB)	Delete
			<input type="checkbox"/>
	Total Size	0	
	Number of Attachments	0	

Add File

Delete File

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