

# **Brockville General Hospital**

## **Executive Compensation Framework**

February 2018

*Considering: O. Reg. 304/16, "Executive Compensation Framework", as amended by O. Reg.187/17 and O. Reg.400/17 under Broader Public Sector Executive Compensation Act, 2014, S.O. 2014, c. 13, Sched. 1*



Brockville  
General Hospital

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## Context

Located in charming and historic Brockville, in the heart of the Thousand Islands region, Brockville General Hospital plays an important role in the lives and well-being of the 100,000 people living within its catchment area. With 850 employees, 160 physicians, 350 volunteers, 500 students annually, and a budget exceeding \$80 million, the Hospital plays an essential role in the provision of services itself, but also as part of regional initiatives aimed at creating efficiencies and better care for all patients.

Accredited by Accreditation Canada, Brockville General Hospital is operating from a position of multiple strengths – its patient-focused approach to healthcare, innovation in the Palliative Care team, and an overall caring and engaged team of staff, physicians, senior leadership and volunteers. The organization has received approval from the Ministry of Health and Long-Term Care to proceed with a multi-million dollar 190,000 sq. ft. redevelopment project with occupancy expected to occur in Winter 2020/2021.

The Brockville General Hospital Charles Street Site offers full acute care services, including emergency and intensive care, medical/surgical care, and the Women & Children’s Health program. Various ambulatory clinics are also available, along with day surgery, ECG, stress testing, radiology, ultrasound, and orthopaedic clinic, the Brockville Cardiovascular Program, the Brockville General Hospital Stroke Clinic, and an Ontario Breast Screening Clinic. The Charles Street Site also provides acute care mental health services, including the Mental Health Crisis Team of Leeds & Grenville, and the Mental Health Inpatient Unit.

The Brockville General Hospital Garden Street Site is home to our Restorative Care program, recognized as a National Lead Practice by Accreditation Canada. It also contains Complex Continuing Care, and Rehabilitation. As well, the Garden Street Site is the birthplace of the highly successful Brockville and District Hospice Palliative Care Service. For over three decades, this community-supported service has provided full spectrum palliative care and support to families in Leeds and Grenville—almost completely through community fundraising for its services.

As part of acute mental health services for Leeds, Grenville and South Lanark, Brockville General Hospital hosts the Assertive Community Treatment (ACT) Team of Leeds, Grenville & South Lanark in the Front Avenue Resource Centre.

Brockville General Hospital Community Programs are located in the McDougall Building, such as the Assault Response and Care Centre, Early Language Development Services, Infant and Child Development Program, Paediatric Physiotherapy, and Speech Language (including Paediatrics) Services.

Brockville General Hospital is amongst the largest employers within the catchment area and contributes significantly to the economic wellbeing of the region through well-paying stable employment.

## Compensation Philosophy

A compensation philosophy is a set of guiding principles that drive compensation decision-making in an organization. Pursuant to the Executive Compensation Framework Regulation (“Regulation”) under the Broader Public Sector Executive Compensation Act, 2014, the philosophy must be included in the executive compensation program and requires a description of:

1. How the executive compensation program is designed to support the achievement of operational goals and [strategic objectives](#); and
2. What the executive compensation program, including its approach to performance-related pay, is designed to reward.

Brockville General Hospital’s compensation philosophy is based on the Board’s vision of attracting, retaining, and motivating highly qualified and accountable senior leaders in a manner that complies with the Regulation, is competitive and affordable, and aligns with Brockville General Hospital’s operational goals and strategic objectives.

Brockville General Hospital’s compensation philosophy is comprised of five key principles:

1. Drive organizational results with a performance orientation (reward for performance and contribution) that aligns with Brockville General Hospital’s strategic objectives, while taking into consideration affordability, market competitiveness, as well as the context and environment in which Brockville General Hospital operates;
2. Demonstration of sound defensibility while supporting the attraction and retention of top talent;
3. Fairness and consistency of application including external competitiveness and internal equity;
4. Recognize Brockville General Hospital’s role as a significant local employer; encouraging long-term employment and development, a culture of trust and respect, and seamless integration with succession management objectives; and
5. Accountability to stakeholders and open transparency.

Brockville General Hospital’s program is designed to support delivery of critical operational goals and strategic objectives and to address staffing challenges that have developed, in part, due to prior compensation restraint. As a result of several years of legislative restraint on executive compensation, Brockville General Hospital’s past approach to executive compensation was no longer effective in aligning, attracting or retaining the executive talent needed to deliver on key deliverables.

Brockville General Hospital’s program is designed to reward achievement of [performance goals](#) through its approach to performance linked pay. Brockville General Hospital’s program includes base pay and performance linked pay. Performance pay incentives support Brockville General Hospital’s operational goals, strategic direction and [Quality Improvement Plans](#) (QIPs),

through goals designed to drive the right organizational behaviour for success in the short, medium and longer-term.

The program will provide market-competitiveness at the 50<sup>th</sup> percentile that is fully compliant with the restrictions of the Regulation.

## Designated Executive Positions

The Regulation requires that identified broader public sector organizations develop a compensation program for “designated executives and office holders” as defined under the Broader Public Sector Executive Compensation Act (BPSECA).

Under the BPSECA, “designated executives and office holders” include individuals who meet both of the following criteria:

1. The employee or office holder is:
  - a. The head of the designated employer, regardless of title of the position or office;
  - b. A Vice President, Chief Administrative Officer, Chief Operating Officer, Chief Financial Officer, or Chief Information Officer, or holds any other executive position or office, regardless of title; AND
2. Under their compensation plan, the employee or office holder is entitled to receive, or could potentially receive, annual cash compensation of \$100,000 or more.

The following designated executive positions and classes are included in Brockville General Hospital’s Executive Compensation Program:

1. President & Chief Executive Officer (Class 1);
2. Chief of Staff (Class 2);
3. Vice President & Chief Nursing Officer (Class 3);
4. Vice President Clinical Services (Class 3);
5. Vice President & Chief Financial Officer (Class 3); and
6. Vice President & Chief Human Resources Officer (Class 3).

## Salary and Performance-related Pay Caps for Designated Executives

### Comparator Selection/Comparative Analysis Details

To determine executive compensation levels, the Board must identify the competitive markets in which Brockville General Hospital operates and competes for talent. A description of acceptable comparators has been provided in the Regulation. An organization may be selected as a comparator if it is similar with respect to three or more of the following factors:

1. The scope of responsibilities of the organization's executives;
2. The type of operations the organization engages in;
3. The industries within which the organization competes for executives;
4. The size of the organization; and
5. The location of the organization.

In addition, the comparator organization must have at least one executive who holds a position comparable to the position of the executive (or class of executives) being examined. Comparable positions generally include those that are similar with respect to essential competencies (knowledge, skills, and abilities), relative complexity, and the level of accountability associated with the position (not based on job title match).

A minimum of eight (8) comparator organizations must be selected.

The Brockville General Hospital comparator groups for each class of executives is comprised only of Ontario Hospitals (primarily Community Hospitals) that share attributes of Brockville General Hospital such as: job types, geography, volumes, size, complexity, and budget, and share the same basic function of providing high-quality patient care in a fiscally responsible manner. Executives within the comparator groups share similar accountabilities and competencies as Brockville General Hospital's executives, including managing the complex and diverse affairs of their Hospital and providing the leadership required to achieve their Hospital's strategic objectives.

The Hospital's chosen comparators are subject to approval by the Minister of Health and Long-Term Care.

The below tables outline the comparator organizations and positions chosen for each class of designated executives at BGH and the salary and performance-related pay cap:

<b>Executive Class 1</b>		
<b>Included Position(s)</b>	<b>President &amp; Chief Executive Officer</b>	
<p><b>Comparator Group and Position Criteria</b></p> <p><i>How the comparator organizations are comparable with respects to:</i></p> <ol style="list-style-type: none"> <li>1. <i>The scope of responsibilities of the organization's executives;</i></li> <li>2. <i>The type of operations the organization engages in;</i></li> <li>3. <i>The industry within which the organization competes for executives;</i></li> <li>4. <i>The size of the organization; and</i></li> <li>5. <i>The location of the organization.</i></li> </ol> <p><i>How the comparable positions chosen are comparable to the designated executive position or class of positions.</i></p>	<p><b>Group:</b></p> <p>To be considered a comparable organization, the following criteria must be met:</p> <ol style="list-style-type: none"> <li>1. <b>Scope of Responsibilities:</b> The organizations executives must hold similar accountabilities to BGH's executive(s) as outlined in Appendix A;</li> <li>2. <b>Type of Operation:</b> The organization must be a Hospital as defined by the Ontario Public Hospitals Act. Furthermore, must be an Ontario Community Hospital (<i>excludes academic hospitals and specialty hospitals</i>);</li> <li>3. <b>Competitive Industry:</b> The organization must operate in the Ontario healthcare industry (further narrowed by criteria 2 above);</li> <li>4. <b>Size of Organization<sup>1</sup>:</b> Must have an operating budget between \$40M and \$150M, and staff FTE count between 250 and 1500;</li> <li>5. <b>Location:</b> Located in the province of Ontario.</li> </ol> <p>To be considered a comparable position, the organizations' executives must hold similar accountabilities to BGH's executive(s) as noted in criteria 1 above.</p>	
<p><b>Comparator Organizations and Positions Chosen by BGH</b> <i>(that met criteria identified above)</i></p>	<ul style="list-style-type: none"> <li>▪ Cambridge Memorial Hospital (<i>President &amp; CEO</i>)</li> <li>▪ Pembroke Regional Hospital (<i>President &amp; CEO</i>)</li> <li>▪ Guelph General Hospital (<i>President &amp; CEO</i>)</li> <li>▪ Orillia Soldiers' Memorial Hospital (<i>President &amp; CEO</i>)</li> <li>▪ Ross Memorial Hospital (<i>President &amp; CEO</i>)</li> <li>▪ Chatham-Kent Health Alliance (<i>President &amp; CEO</i>)</li> <li>▪ Timmins and District Hospital (<i>CEO</i>)</li> <li>▪ Perth and Smiths Falls District Hospital (<i>President &amp; CEO</i>)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Norfolk General Hospital &amp; West Haldimand General Hospital (<i>CEO</i>)</li> <li>▪ Woodstock Hospital (<i>CEO</i>)</li> <li>▪ Muskoka Algonquin Healthcare (<i>CEO</i>)</li> <li>▪ Huron Perth Health Alliance (<i>President &amp; CEO</i>)</li> <li>▪ Cornwall Community Hospital (<i>President &amp; CEO</i>)</li> <li>▪ St. Thomas Elgin General Hospital (<i>President &amp; CEO</i>)</li> <li>▪ Northumberland Hills Hospital (<i>President &amp; CEO</i>)</li> </ul>
<b>Salary and Performance-related Pay Cap</b> <i>(based on 50<sup>th</sup> Percentile)</i>		<b>\$275,000</b>

<sup>1</sup>"A reasonable rule of thumb for selecting similarly-sized organizations is those that are 0.5X to 2.0X your organization" (Budget) – Willis Towers Watson.

## Executive Class 2

<b>Included Position(s)</b>	<b>Chief of Staff</b>	
<b>Comparator Group and Position Criteria</b>  <i>How the comparator organizations are comparable with respects to:</i> <ol style="list-style-type: none"> <li><i>The scope of responsibilities of the organization's executives;</i></li> <li><i>The type of operations the organization engages in;</i></li> <li><i>The industry within which the organization competes for executives;</i></li> <li><i>The size of the organization; and</i></li> <li><i>The location of the organization.</i></li> </ol> <i>How the comparable positions chosen are comparable to the designated executive position or class of positions.</i>	<b>Group:</b>  To be considered a comparable organization, the following criteria must be met: <ol style="list-style-type: none"> <li><b>Scope of Responsibilities:</b> The organizations' executives must hold similar accountabilities to BGH's executive(s) as outlined in Appendix B;</li> <li><b>Type of Operation:</b> The organization must be a Hospital as defined by the Ontario Public Hospitals Act. Furthermore, must be an Ontario Community Hospital (<i>excludes academic hospitals and specialty hospitals</i>); with the exception of Quinte Health Care and Religious Hospitallers of St. Joseph of the Hotel Dieu of Kingston;</li> <li><b>Competitive Industry:</b> The organization must operate in the Ontario healthcare industry (further narrowed by criteria 2 above);</li> <li><b>Size of Organization:</b> Must have an operating budget between \$40M and \$150M (<i>with exception of Quinte Health Care</i>), and physicians with privileges between 50 and 250 (<i>with exception of Cambridge Memorial Hospital and Guelph General Hospital</i>);</li> <li><b>Location:</b> Located in the province of Ontario.</li> </ol> To be considered a comparable position, the organizations' executives must hold similar accountabilities to BGH's executive(s) as noted in criteria 1 above.	
<b>Comparator Organizations and Positions Chosen by BGH</b> <i>(that met criteria identified above)</i>	<ul style="list-style-type: none"> <li>▪ Ross Memorial Hospital (<i>Chief of Staff</i>)</li> <li>▪ Guelph General Hospital (<i>Chief of Staff</i>)</li> <li>▪ Muskoka Algonquin Healthcare (<i>Chief of Medical Staff</i>)</li> <li>▪ Cornwall Community Hospital (<i>Chief of Staff</i>)</li> <li>▪ Quinte Health Care (<i>Chief of Staff</i>)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Perth and Smiths Falls District Hospital (<i>Chief of Staff</i>)</li> <li>▪ Cambridge Memorial Hospital (<i>VP Medical Affairs/Chief of Staff</i>)</li> <li>▪ Pembroke Regional Hospital (<i>Chief of Staff</i>)</li> <li>▪ Religious Hospitallers of St. Joseph of the Hotel Dieu of Kingston (<i>Chief of Staff/Chief of Medical and Academic Affairs</i>)</li> </ul>
<b>Salary and Performance-related Pay Cap</b> ( <i>based on 50<sup>th</sup> Percentile</i> )		<b>\$310,000</b>

<b>Executive Class 3</b>		
<b>Included Position(s)</b>	<ul style="list-style-type: none"> <li>▪ <b>Vice President &amp; Chief Nursing Officer;</b></li> <li>▪ <b>Vice President Clinical Services;</b></li> <li>▪ <b>Vice President &amp; Chief Financial Officer;</b></li> <li>▪ <b>Vice President &amp; Chief Human Resources Officer</b></li> </ul>	
<b>Comparator Group and Position Criteria</b>  <i>How the comparator organizations are comparable with respects to:</i> <ol style="list-style-type: none"> <li>1. <i>The scope of responsibilities of the organization's executives;</i></li> <li>2. <i>The type of operations the organization engages in;</i></li> <li>3. <i>The industry within which the organization competes for executives;</i></li> <li>4. <i>The size of the organization; and</i></li> <li>5. <i>The location of the organization.</i></li> </ol> <i>How the comparable positions chosen are comparable to the designated executive position or class of positions.</i>	<p><b>Group:</b></p> <p>To be considered a comparable organization, the following criteria must be met:</p> <ol style="list-style-type: none"> <li>1. <b>Scope of Responsibilities:</b> The organizations' executives must hold similar accountabilities to BGH's executive(s) as outlined in Appendix C;</li> <li>2. <b>Type of Operation:</b> The organization must be a Hospital as defined by the Ontario Public Hospitals Act. Furthermore, must be an Ontario Community Hospital (<i>excludes academic hospitals and specialty hospitals</i>);</li> <li>3. <b>Competitive Industry:</b> The organization must operate in the Ontario healthcare industry (further narrowed by criteria 2 above);</li> <li>4. <b>Size of Organization:</b> Must have an operating budget between \$40M and \$150M, and staff FTE count between 250 and 1500;</li> <li>5. <b>Location:</b> Located in the province of Ontario.</li> </ol> <p>To be considered a comparable position, the organizations' executives must hold similar accountabilities to BGH's executive(s) as noted in criteria 1 above.</p>	
<b>Comparator Organizations and Positions Chosen by BGH</b> <i>(that met criteria identified above)</i>	<ul style="list-style-type: none"> <li>▪ Orillia Soldiers' Memorial Hospital (<i>EVP, Corporate Services &amp; Chief Financial Officer, VP Regional Patient Programs</i>)</li> <li>▪ St. Thomas Elgin General Hospital (<i>VP &amp; Chief Nursing Executive, Vice President</i>)</li> <li>▪ Huron Perth Health Alliance (<i>VP, People &amp; Workplace Health, VP Performance &amp; Fiscal Health, VP, Partnerships &amp; Patient Experience, VP, Quality &amp; Clinical Services</i>)</li> <li>▪ Cambridge Memorial Hospital (<i>VP Clinical Programs &amp; Chief Nursing Executive, VP Finance &amp; Corporate Services</i>)</li> <li>▪ Chatham-Kent Health Alliance (<i>VP &amp; Chief Nursing Executive, VP &amp; Chief Human Resources Officer, VP &amp; Chief Financial Officer</i>)</li> <li>▪ Cornwall Community Hospital (<i>Chief Financial &amp; Information Officer, VP, Support Services, VP, Operations, VP, Patient Services &amp; Chief Nursing Officer</i>)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Guelph General Hospital (<i>VP Patient Services and Chief Nursing Executive, VP Human Resources &amp; Support Services, VP, Chief Financial Officer &amp; Chief Information Officer</i>)</li> <li>▪ Norfolk General Hospital &amp; West Haldimand General Hospital (<i>VP of Patient Care, VP of Finance</i>)</li> <li>▪ Perth and Smiths Falls District Hospital (<i>VP of Clinical Services, VP of Finance &amp; Support Services</i>)</li> <li>▪ Ross Memorial Hospital (<i>VP, Diagnostics, Procurement &amp; Special Projects, Regional Chief Financial Officer</i>)</li> <li>▪ Pembroke Regional Hospital (<i>Senior VP Corporate &amp; Support Services CFO/CIO, VP Patient Services – Acute Care &amp; Chief Nursing Executive, VP Patient Services – Seniors &amp; Community Care</i>)</li> <li>▪ Timmins and District Hospital (<i>Chief of Human Resources, Chief Financial Officer</i>)</li> </ul>
<b>Salary and Performance-related Pay Cap</b> <i>(based on 50<sup>th</sup> Percentile)</i>		<b>\$175,000</b>

## Recalculating Caps and Adding New Positions

The Regulation requires that all salary and performance-related pay caps must be recalculated in the event of significant organizational restructuring.

The salary and performance-related pay caps for select executive positions or classes of positions may be added or recalculated when circumstances warrant it, such as in situations where the employer is:

1. Incorporating new designated executive positions or classes of designated executive positions;
2. Accounting for significant changes in responsibilities for a designated executive or class of designated executives; and
3. Any other situation that results in a discrepancy between the responsibilities of a designated executive position or class of designated executive positions and an established cap.

The requirement to conduct a comparative analysis and to engage in public consultation must be met each time an employer recalculates caps or adds new positions to its executive compensation program. In addition, the Minister of Health and Long-term Care must reapprove chosen comparators and the maximum rate of increase.

## Structure

Maximum cash compensation available to designated executives under the Regulation can be no greater than the 50<sup>th</sup> percentile of the maximum available salary and performance-related pay at comparator organizations.

The Regulation provides that maximum total cash compensation available for designated executives or classes of executives is to be calculated in the following manner:

1. Determine the maximum amounts of annual salary and performance-related pay available to designated executives of the comparator organizations who hold comparable positions to the Hospital's designated executives;
2. Select a percentile that is no greater than the 50<sup>th</sup> percentile (median) of the above amounts determined; and
3. Calculate the amount (job rate) that is at the selected percentile.

Calculations must occur for each designated executive or class of executives on the Hospital's senior leadership team.

Subject to approval by the Minister of Health and Long-Term Care, the table below outlines the maximum cash compensation available to the Hospital's designated executive positions or classes of designated executive positions (actual compensation may be less). The Hospital chose to use the 50<sup>th</sup> percentile for purposes of establishing the Pay Structure:

<b>Salary and Performance-related Pay Structure</b>				
<b>Executive Position or Class of Positions</b>	<b>Salary Range Minimum</b>	<b>Salary Range Maximum</b>	<b>Performance-related Pay Maximum</b>	<b>Salary and Performance-related Pay Maximum</b>
<b>Class 1</b> <i>President &amp; CEO</i>	\$217,000	\$261,500	5%	\$274,575
<b>Class 2</b> <i>Chief of Staff</i> <i>(BGH's COS = 0.40 FTE. Dollars in parenthesis reflect 0.40 FTE).</i>	\$244,500 <i>(\$97,800)</i>	\$295,000 <i>(\$118,000)</i>	5%	\$309,750 <i>(\$123,900)</i>
<b>Class 3</b> <i>Vice President &amp; Chief Nursing Officer, Vice President Clinical Services, Vice President &amp; Chief Financial Officer, Vice President &amp; Chief Human Resources Officer</i>	\$138,000	\$166,500	5%	\$174,825

Without having to go through the recalculation process described above, designated employers are permitted to increase the salary and performance-related pay cap for a designated executive position or class of designated executive positions once per pay year, at a rate that does not exceed the lesser of the following:

1. The average rate of increase in the salary and performance pay of the designated employer's non-executive managers in the most recent one-year period in respect of which the employer determined the salary and performance pay to be paid to the non-executive managers, or
2. The public sector wage settlement trend in Ontario as set out in the provincial Budget, Economic Outlook, Fiscal Review or public documents of the Crown, provincial Cabinet, the Treasury Board or the Management Board of Cabinet.

The salary and performance-related pay that a designated employer provides for a designated executive position within one year must not exceed the salary and performance-related pay caps calculated for the position or for the class of positions to which the position belongs.

### **Salary and Performance-related Pay Envelope**

The Regulation incorporates the concept of a salary and performance pay envelope, i.e. the total executive salary and performance pay provided to all designated executives for the most recently completed pay year. The envelope provides the mechanism by which designated employers can provide increases to the salary and performance pay of designated executives each year.

For the first pay year that an executive salary and performance pay envelope is calculated, a designated employer determines the envelope based on the sum of the actual salary paid out to the employer’s executives for the previous pay year, and if applicable, the maximum amount of performance related pay that the employer’s executives could have earned in the previous pay year. In subsequent years, the envelope is determined based on the pay envelope for the most recently completed pay year. Designated employers must adjust the envelope as changes occur to their executive team during the current pay year.

Each year, a designated employer may increase the envelope by an amount that must not exceed the approved maximum rate of increase. This percentage is referred to in the Regulation as “R”, while the envelope for the previous pay year is referred to as “P.” The designated employer could increase its envelope as follows:  $P + (P \times R)$ .

When determining the maximum rate that the envelope can be increased in a year, and subject to the approval of the Minister of Health and Long-Term Care, the Hospital must take the following factors into account:

1. The financial and compensation priorities of the Ontario Government,
2. Recent executive compensation trends in the part of the Canadian public sector or broader public sector industries in which the designated employer competes for executives,
3. A comparison between the percentage of the designated employer’s operating budget that is used for executive salary and performance-related pay and the percentages of the operating budgets of the designated employer’s comparator organizations that are used for executive salary and performance-related pay,
4. The effect of the difference between the salary and performance pay range for designated executive positions and the salary and performance pay range for positions that report directly to those designated executive positions on attracting or retaining talent to the designated employer’s executive positions, and
5. Any significant expansion in the operations of the designated employer that is not the result of significant organizational restructuring.

The following table illustrates BGH’s salary and performance pay envelope for the pay year prior to implementing the Framework and the maximum rate of annual increase, as approved by the Minister:

<b>Sum of Salary and Performance-related Pay</b> <i>Most Recently Completed Pay Year (Fiscal 16/17)</i>	<b>Maximum Rate of Increase to Envelope</b>
\$982,065	5%

Brockville General Hospital has chosen a 5% maximum rate of increase for a variety of reasons including the following:

1. Our framework is compliant with all elements of the Regulation and ensures no executive will receive salary and performance-related pay in excess of the 50<sup>th</sup> percentile of appropriate benchmark comparable positions; consistent with the Ontario Government's financial and compensation priorities;
2. Brockville General Hospital is budgeted to spend 1.18% of its annual operating budget on executive salary and performance-related pay in 2017/2018. This compares consistently with our chosen comparator organizations which spend approximately 1.14%<sup>2</sup> of their operating budget on executive salary and performance-related pay;
3. Brockville General Hospital's current executive compensation plan has remained virtually static since April 2009, with the exception of a 3% 'pay-at-risk' carve out pulled from base salary in April 2011, to comply with the Excellent Care for All Act. The impact of a static executive compensation structure has resulted in increased salary compression with direct reports, and has, in part, contributed to difficulties retaining qualified executives to lead the organization. Since April 2009, BGH has turned over 12 executives, which represents an annualized turnover rate of approximately 30% to 38%<sup>3</sup>. Since April 2009, the differential in the salary and performance-pay range between designated executive positions and positions that report directly to the designated executive positions has decreased by 19%<sup>4</sup>.
4. Brockville General Hospital has embarked upon a significant redevelopment project that requires highly experienced and qualified leaders. Consistent leadership is essential in the management of this multi-year project. The project aims to add 20+ inpatient beds and consolidate the Garden Street Site and Charles Street Site onto one campus. The project's scale is grand for the city of Brockville – the biggest in its history, and will result in a new five story 190,000 square foot tower being built at the Charles Street Site.

The total salary and performance-related pay that a designated employer provides to all of its designated executives for a pay year must not exceed the salary and performance-related pay envelope for that pay year.

Executive movement through a salary range must be supported by a satisfactory performance review.

The maximum rate of increase in the salary and performance-related pay envelope shall be re-determined whenever a salary and performance-related pay cap is recalculated for one or more designated executives or classes of designated executives or whenever a designated executive is provided with any additional elements of compensation allowed under the Regulation.

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<sup>2</sup> Based on median of submissions by comparator organizations (8 responses)

<sup>3</sup> Based on an average Senior Leadership Team size of 4 to 5 executives.

<sup>4</sup> Based on salary and performance-related pay differences between Vice President and Director level positions.

## Other Elements of Compensation

The Regulation sets limits and prohibitions on elements that can be included in the compensation package of an executive. The following table provides confirmation statements of Brockville General Hospital's compliance with this aspect of the Regulation:

Regulation Limit/Prohibition <sup>5</sup>	Brockville General Hospital Compliance
1. Payments or other benefits provided in lieu of perquisites	Payments in lieu of perquisites are not provided
2. Signing bonuses	Signing bonuses are not provided
3. Retention bonuses	Retention bonuses are not provided
4. Cash housing allowances	Cash housing allowances are not provided
5. Insured benefits that are not generally provided to non-executive managers	All management employees receive the same level of insured benefits and on the same basis
6. Termination payments, including payments in lieu of notice of termination, and severance payments that in total equal more than 24 times the average monthly salary of the designated executive	Severance in lieu of notice of termination in excess of 24 times the average monthly salary is not provided
7. Termination or severance payments that are payable in the event of termination for cause	Payments for termination/severance in the event of termination for cause are not provided
8. Paid administrative leave (except to the head of a college or university or another designated executive who is part of or will return to the faculty at a college or university)	Brockville General Hospital does not provide paid administrative leave, or payments in lieu of administrative leave
9. Paid administrative leave that accrues at a rate in excess of 10.4 paid weeks per year	
10. Payments in lieu of administrative leave	

Brockville General Hospital does not provide any other element of compensation to designated executives that are not generally provided, in the same manner and relative amount, to non-executive managers.

<sup>5</sup> Subject to entitlements under the Employment Standards Act, 2000

## Supplemental Information

### Implementation and Transition

Hospitals are required to submit their initial proposed Executive Compensation Program to the Minister of Health and Long-term Care by September 29, 2017.

Newly hired designated executives and existing employees who change designated executive positions will immediately be subject to the terms of the Executive Compensation Framework.

Existing designated executives may be grand-parented into the Executive Compensation Program, whereby their current compensation plan can be continued for up to three years. After that time, the new Executive Compensation Program will apply to them.

The Hospital is obliged to update its Executive Compensation Program, including Minister approval and re-posting, whenever a salary and performance-related pay cap is recalculated for one or more designated executive positions or classes of designated executive positions; or when the designated employer provides a designated executive with any additional elements of compensation, as allowed under the Regulation.