CALL TO ORDER

COMMITTEE MEMBERS

_____ Commissioner Ray T. Berry, Chair
_____ Commissioner Andrew M. Klein
_____ Commissioner Marie C. Waugh

PUBLIC COMMENTS

APPROVAL OF MINUTES

1. Approval of Human Resource Committee meeting minutes, dated January 22, 2019

TOPIC OF DISCUSSION

2. Board Subcommittee results for search of Chief Compliance Officer

3. Approval of Management Incentive Plan

ADJOURNMENT
CALL TO ORDER 8:30 AM

COMMITTEE MEMBERS

Commissioner Ray T. Berry, Chair
Commissioner Andrew M. Klein
Commissioner Marie C. Waugh

PRESENT Commissioner Stacy L. Angier, Commissioner Christopher T. Ure, Commissioner Nancy W. Gregoire, Gino Santorio/President/CEO, Alan Goldsmith/Acting CAO, Alex Fernandez/Acting CFO, Gabe Imperato/Interim General Counsel, Nigel Crooks/Chief Internal Auditor

Note: Commissioner Waugh announced she would be leaving at 10 am due to her father being in the ICU at Broward Health and confirmed she would be in attendance via phone for the subsequent scheduled meetings.

PUBLIC COMMENTS None

APPROVAL OF MINUTES

1. Approval of Human Resource Committee meeting minutes, dated October 29, 2018.

The October 29, 2018 Human Resource meeting minutes were tabled until further clarification could be made on the following.

Commissioner Waugh asked if the Board Report Policy went into effect as of January 1, 2019, as reflected in the minutes. Melanie Hatcher stated it was not. Commissioner Klein suggested the minutes be tabled until next month’s Human Resource meeting to allow additional time for further review.

Result: Upon further review, the Board Report policy had indeed passed on October 29, 2018. The recommendation was overturned at the November 28, 2018 Board meeting.

- Exhibit “A”: October 29, 2018 minutes (minutes in question and were tabled).
- Exhibit “B”: Verbatim transcript of Human Resource Committee discussion and recommendation of item #1, Board Report Policy
TOPIC OF DISCUSSION

2. Contract Template and FMV, President/CEO

MOTION It was moved by Commissioner Klein, seconded by Commissioner Waugh, that:


Motion carried unanimously.

MOTION It was moved by Commissioner Klein, seconded by Commissioner Waugh, that:

THE HUMAN RESOURCE COMMITTEE RECOMMEND TO THE FULL BOARD THAT THE SALARY BE SET IN THE RANGE OF $745,457 AS THE BASE SALARY SUBJECT TO INCLUSION OF APPROPRIATE INCENTIVES FOR BONUSES ABOVE THAT.

Motion carried unanimously.

3. Balanced Scorecard

MOTION It was moved by Commissioner Klein, seconded by Commissioner Waugh, that:

THE HUMAN RESOURCE COMMITTEE RECOMMEND TO THE FULL BOARD ADOPTION OF THE BALANCE SCORECARD, AS REVISED.

Motion carried unanimously.

4. V.P. Compliance Search

MOTION It was moved by Commissioner Klein, seconded by Commissioner Waugh, that:

THE HUMAN RESOURCE COMMITTEE RECOMMEND TO THE FULL BOARD TO CLOSE THE POSITION POSTING EFFECTIVE JANUARY 31, 2019 FOR THE VICE PRESIDENT OF CORPORATE COMPLIANCE AND PRIVACY.

Motion carried unanimously.
MOTION It was moved by Commissioner Klein, seconded by Commissioner Waugh, that:

THE HUMAN RESOURCE COMMITTEE RECOMMEND TO THE FULL BOARD THE PROPOSED PROCESS BE ADOPTED WITH THE MODIFICATION THAT ITEM “E” BE AMENDED TO ADD A SECOND ITEM, WHICH WOULD INCLUDE BOARD MEMBERS TO INDIVIDUALLY REVIEW AND RANK THE FIVE CANDIDATES IDENTIFIED AND UNDER ITEM “F” DELETE ITEM #2 AND MODIFY #1 TO REFLECT THE EXECUTIVE TEAM TO SCHEDULE INTERVIEWS TO RECOMMEND TO THE FULL BOARD A FINALIST, OR TWO, FOR FURTHER CONSIDERATION AND TO AMEND ITEM “G” TO FEBRUARY 20TH, RATHER THAN FEBRUARY 21ST.

Motion carried unanimously.

5. General Counsel Search

MOTION It was moved by Commissioner Klein, seconded by Commissioner Waugh, that:

THE HUMAN RESOURCE COMMITTEE RECOMMEND TO THE FULL BOARD TO CLOSE THE POSTING FOR GENERAL COUNSEL AS OF JANUARY 31, 2019 AND AT THE JANUARY 30TH BOARD MEETING, THE VP OF HUMAN RESOURCES PRESENT A REVISED PROPOSAL FOR THE SUBSEQUENT PROCESS CONSISTENT WITH THE DISCUSSION HAD AT THIS MEETING.

Motion carried unanimously.

MEETING ADJOURNED 11:25 am

MOTION It was moved by Commissioner Klein, seconded by Commissioner Berry, to:

ADJOURN THE HUMAN RESOURCE MEETING

Motion carried unanimously.

Respectfully submitted,
Commissioner Ray T. Berry
Secretary / Treasurer
SUMMARY OF REQUEST

DATE: February 27, 2019

FACILITY: Broward Health

REQUEST: Approval of Management Incentive Compensation Plan

PURPOSE: The purpose of the Broward Health ("BH") Management Incentive Plan is to provide a management tool to support and promote the following goals:

- Bolster the collaborative business goals among BH leadership to drive operational performance;
- Enhance the competitiveness of the management total compensation program to ensure the attraction, retention and motivation of key executive and management talent consistent with other large health care systems nationally and locally; and
- Enhance a culture of accountability and performance.

CAPITAL REQUIRED: Not Applicable

FISCAL IMPACT: Payout contingent on financial and non-financial performance on targeted outcomes. The incentive is self-funding. Therefore, Broward Health must generate sufficient funds to cover the cost of the incentive payouts without creating any fiscal shortfall or deficit to the budget.

BUDGET STATUS: See above

LEGAL REVIEW: Not Applicable

COMPLETION DATE: TBD

APPROVED: 

Gino Santorio, President/CEO  
Date
MEMORANDUM

TO:        Board of Commissioners
FROM:      Gino Santorio, President/CEO BH
DATE:      February 27, 2019
SUBJECT:   Approval of Management Incentive Compensation Plan

BACKGROUND

The purpose of the Broward Health Management Incentive Plan is to provide a management tool to support and promote the following goals:

- Bolster the collaborative business goals among BH leadership to drive operational performance;
- Enhance the competitiveness of the management total compensation program to ensure the attraction, retention and motivation of key executive and management talent consistent with other large health care systems nationally and locally; and
- Enhance a culture of accountability and performance.

ACTION/PROJECT DESCRIPTION

Approval of Management Incentive Compensation Plan.

FINANCIAL/BUDGETARY IMPACT

Payout is contingent on financial and non-financial performance on targeted outcomes. The incentive is self-funding. Therefore, Broward Health must generate sufficient funds to cover the cost of the incentive payouts without creating any fiscal shortfall or deficit to the budget.

JUSTIFICATION

Annual incentive plans are a meaningful leadership retention tool and help the organization to recruit performance driven executives. Over 80% of healthcare organizations provide short-term incentive programs for their key executives utilizing a tiered approach (Gallagher, 2018). Studies show that establishing an incentive plan reinforces critical performance goals and ensures the continued viability of an organization. This will be paramount as we continue to develop, enhance and identify new service opportunities to meet the expanding needs of our community.

STAFF RECOMMENDATION

Therefore, it is requested that the Board of Commissioners of the North Broward Hospital District authorize the President/CEO to approve the Management Incentive Compensation Plan.
Broward Health
Management Incentive Plan

The purpose of the Broward Health Management Incentive Plan is to provide a management tool to support and promote the following goals:

- Bolster the collaborative business goals among Broward Health leadership to drive operational performance;
- Enhance the competitiveness of the management total compensation program to ensure the attraction, retention and motivation of key executive and management talent consistent with other large health care systems nationally and locally; and
- Enhance a culture of accountability and performance.

The Management Incentive Plan is self-funding. Therefore, Broward Health must generate sufficient funds to cover the cost of the incentive plan payouts without creating any fiscal shortfall or deficit to the budget. This cost is based on incentive plan payouts up to 10% or 20% of the annual base salary of the eligible participants and their related tier. The annual base salary takes into consideration any pay adjustment during the Management Incentive Plan period as well as the payroll taxes Broward Health would be responsible for. Annual base salary does not include bonus, benefits or other compensation.

Incentive payout will be based on the performance of the approved Balanced Scorecard total system targets. The balanced scorecard is subject to review and approval annually by the Board.

- A participant must be a pay for performance (PFP) manager and must be employed at least 6 months or longer in an incentive eligible position during the fiscal year starting July 1st through June 30th. To the extent an eligible participant was employed for six months or longer but less than the full fiscal year, the eligible employee shall receive a pro-rata portion of the incentive payout. A participant who fails to meet or exceed the expected performance level on his/her annual performance evaluation or who has a corrective action/performance improvement plan (written or above) during the fiscal year is not eligible for any incentive award for that plan year. A participant who separates from Broward Health prior to the date of plan payout approved by the Board forfeits all rights to an incentive payout, except for retirement. Any participant on an unpaid leave of absence on the date of plan payout will receive their bonus when they return to work in an active status; however the bonus shall be forfeited if the employee fails to return to work in an active status. A participant that transfers between facilities or positions will have his/her bonus based on the facility or bonus tier in which they were an eligible participant for the majority of the time. Any PFP management with a current employment agreement with Broward Health will be subject to the terms and conditions of that agreement. Therefore, the employment agreement supersedes all contemporaneous commitments and agreements (written or oral).

Incentive plan payouts for participants are tiered based on organizational pay grade levels and set at market competitive rates by job level. Each tier represents a percentage range of base wages (cash flow salary) a participant may be eligible to receive. But in no event shall a participant receive more than the achieved % for the participant’s region. Incentive plan payouts are processed following the approval of the fiscal year audited financial statement and review of payment reconciliation file by Internal Audit.

<table>
<thead>
<tr>
<th>Tier Designation</th>
<th>Management Criteria</th>
<th>Opportunity</th>
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</thead>
<tbody>
<tr>
<td>I</td>
<td>CEO’s, EVP’s, SVP’s, VP’s, Audit Chief, Regional Chiefs</td>
<td>Up to 20%</td>
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<tr>
<td>II</td>
<td>All other jobs designated as PFP Management</td>
<td>Up to 10%</td>
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