

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 or, if applicable, the sum of salary paid and maximum performance-related pay available 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	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. Include rationale outlining the critical business reasons that justify the provision of each element of compensation.
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)

Wellington Health Care Alliance (Groves Memorial Community Hospital & North Wellington Health Care)

Completed By

Last Name

Street

First Name

Stephen

Middle Initial

K.

Job Title

President and CEO

Address

Unit Number

Street Number

630

Street Name

Dublin Street

PO Box

City/Town

Mount Forest

Province

Ontario

Postal Code

N0G 2L3

Telephone Number

519-323-3333

Fax Number

519-323-2955

Email Address

sstreet@nwhealthcare.ca

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.

2. About WHCA

The Wellington Health Care Alliance (WHCA) is comprised of three, rural, acute care hospitals: Groves Memorial Community Hospital in Fergus, and North Wellington Health Care, with hospital sites in Mount Forest (Louise Marshall Hospital) and Palmerston (Palmerston and District Hospital). Each hospital provides a comprehensive range of surgical, inpatient and outpatient services; including 24/7 emergency and obstetrical care. WHCA is an administrative alliance that was formed to provide a strong, consistent voice for rural health care. We value the strength we have with our health care partners across the Waterloo-Wellington region. Our vision is: Your Health Matters. Our mission is: Together, advancing exceptional care and wellness. Our values: We are compassionate, respectful, innovative, professional and collaborative.

The strategic direction and organizational goals of the WHCA are to :

1. Become a leader in rural health care delivery
2. Advance all redevelopment projects
3. Support the Joint Executive Committee and advance the WHCA integration
4. Strengthen our partnerships
5. Advance adoption of eHealth technologies
6. Maintain a positive staff culture

3. Compensation Philosophy

WHCA' compensation philosophy shapes how decisions are made about the executive pay. The guiding principles of compensation philosophy are:

- Competitive pay rates to attract top talent; engage and motivate those individuals in meaningful, outcomes focused work and retain them to enable their achievement of medium and long-term results and reduce turnover costs and associated disruption;
- Fair and equitable treatment of executives to build trust and positively influence engagement, retention, and performance;
- Structured performance pay as a mechanism to facilitate clarity and focus related to the achievement of strategic objectives and Quality Improvement Plan (QIP) commitments;
- Reflect market rates of pay, economic trends, and affordability for the hospital;
- Meet applicable legislation including pay equity and internal equity principles and any specific LHIN directives;
- Annual review of pay caps with any adjustment made at the rate specified by the Board or applicable legislation; and
- Salaries capped at the 50th Percentile of relevant and appropriate comparators selected for similarity and fit related to: scope of responsibilities for executives, industries within which we compete for executives, size and budget of the organization, type of operations the organization engages in, and location of the organization.

Pursuant to the Excellent Care for All Act (the "ECFAA"), executives' total compensation is affected and subject to the terms and conditions outlined by the QIP and Pay for Performance (claw back) compensation arrangements including an at risk portion of 5% for the President/CEO and 2% for all other executives.

This Pay for Performance component is paid out according to the QIP plan details after assessment of the achievement of annual performance targets in the QIP.

In accordance with the new regulation, our executive compensation program strongly supports our strategic objectives and is designed to reward executives for the scope of their functional responsibilities and the delivery of high quality services, actual results, and continued excellence through a mix of fixed and performance-based variable pay.

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
President and CEO	President and CEO
VP Corporate Services	VP
VP HR & Support Services	VP
VP Patient Services & CNE	VP
Chief of Staff	COS

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

Executive Positions or Classes of Positions Benchmarked

President/CEO

VP

COS

Canadian Public Sector or Broader Public Sector Comparators

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

The following 17 organizations are selected as WHCA's comparator group based on the factors specified within the Executive Compensation Framework (the "Framework"):

1. Cambridge Memorial Hospital
2. Chatham-Kent Health Alliance
3. Muskoka Algonquin Healthcare
4. Hawkesbury District Hospital
5. Headwaters Health Care Centre
6. Norfolk General Hospital & West Haldimand General Hospital
7. Collingwood General and Marine Hospital
8. Georgian Bay General Hospital
9. Perth and Smiths Falls District Hospital
10. South Bruce Grey Health Centre
11. Leamington District Memorial Hospital
12. Renfrew - St. Francis Alliance
13. Middlesex Hospital Alliance
14. Mississippi River Health Alliance
15. Winchester District Memorial Hospital
16. Tillsonburg & Alexandra Alliance
17. Listowel Wingham Hospital Alliance

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

President & CEO is compared to President & CEO roles

Class VP is compared to Top Finance Executive, Top Human Resources executives and Top Clinical Executives (not an MD) benchmark positions

Class COS is compared to Top Medical Executives

Rationale for Selected Comparators

The comparable organizations were selected based on their similarities with WHCA with respect to most or all of the factors as specified by the framework:

- Scope of responsibilities of the organization's executives:

All comparator organizations have executive teams supporting the delivery of healthcare and other services to public communities. These organizations have relevant number of comparable positions to each WHCA' class of positions, that are similar with respect to essential competencies (knowledge, skills, education, and abilities), and share similar levels of complexity and accountability. Please refer to the next section (Benchmarking analysis) for more details about the comparable positions.

- Type of operations the organization engages in:

The selected comparator group are all community hospitals. WHCA has included all comparable Alliances to reflect similar responsibilities held by the executives. It should be noted that there are few comparators that are administrative alliances with a multi-corporate structure supported by a shared Executive team.

- Industries within which the organization competes for executives:

All comparator organizations are from healthcare industry.

- Size of the organization:

The comparator group represents a balanced sample of organizations that are smaller and larger than WHCA with

respect to Annual Revenues, headcounts and number of beds. We have included one hospital within our LHIN to reflect location and competition for talent.

All other comparator organizations are similar sized hospitals based on the above mentioned quantitative drivers.

• Location of the organization:

Most organizations are primarily located in Toronto/GTA corridor where WHCA geographically competes for talent. Overall, WHCA believes this group represents a balanced sample of hospitals that are similar in size and in a combination of other important benchmark criteria as mentioned above.

The comparator hospitals have a relevant number of comparable positions to WHCA executive positions.

WHCA performed a comparative analysis within the comparator group and all positions were benchmarked against jobs with similar job titles and a similar nature of responsibilities and scope of portfolios.

The table lists the comparators used to benchmark each class of positions -

Cambridge Memorial Hospital

President & CEO VP Finance & Corporate Services

Director, HR

VP, Clinical Programs & CNE

Chief of Staff

Chatham-Kent Health Alliance

President & CEO, VP & CFO

VP & CHRO

VP & CNE

Chief of Staff

Muskoka Algonquin Healthcare

CEO Chief Executive, Corporate Services, Risk & CFO

Chief Executive, HR & Support Services

Chief Executive, Clinical Services

Chief of Staff

Hawkesbury District Hospital

Chief Executive Officer VP Finance and Corporate Services

VP Acute Care Services and Chief Nursing Executive

Chief of Staff

Headwaters Health Care Centre

President & CEO VP, Corporate Services

VP, Patient Care & Chief Nursing Executive

Chief of Staff & VP Medical Affairs

Norfolk General Hospital & West Haldimand General Hospital

CEO VP of Finance

VP of Patient Care

Collingwood General and Marine Hospital

President & CEO VP of Corporate Services, CFO, CIO

Chief HR Lead

VP of Patient Services, CNE

Chief of Staff

Georgian Bay General Hospital

President & CEO VP, Corporate Services & CFO

VP, Patient Services & CNE

Chief of Staff

Perth and Smiths Falls District Hospital

President & CEO VP of Finance & Support Services

VP of Clinical Services
Chief of Staff

South Bruce Grey Health Centre
President & CEO VP, Finance & Corporate Services
CNO

Leamington District Memorial Hospital
CEO CFO
Director of HR
CNE
Chief of Staff

Renfrew - St. Francis Alliance
President & CEO VP, Financial Services
VP, Patient Care Services / CNE

Middlesex Hospital Alliance
President & CEO VP Finance & CFO
VP Clinical Services & CNE

Mississippi River Health Alliance
President & CEO VP, Corporate Support Services
VP, Patient/Resident Services & CNE

Winchester District Memorial Hospital
CEO Senior VP, Corporate Services & CFO
Senior VP, Clinical Services & CNE

Tillsonburg & Alexandra Alliance Integrated P
resident & CEO Integrated VP/CFO
Integrated VP/CNE

Listowel Wingham Hospital Alliance
President & CEO CFO
CHRO
VP Clinical Services/CNE

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.

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.

The results of the benchmarking analysis were used to determine the maximum compensation that WHCA executives may earn. The total cash compensation caps for all executives were established at the 50th percentile of the comparator market maximum total cash compensation (maximum base salary plus maximum performance-related pay). The minimum base salary is established at 80% of the maximum base salary.

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
President and CEO	\$193,760		\$242,200			\$242,200
Vice President	\$114,720		\$143,400			\$143,400
Chief of Staff	\$240,000		\$300,000			\$300,000

D. Salary and Performance-related Pay Envelope

Provide the sum of salary and performance-related pay paid or, if applicable, the sum of salary paid and maximum performance-related pay available 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 (%)
\$702,404	5.0

Rationale for the Proposed Maximum Rate of Increase:

WHCA' salary and performance-related pay envelope for the Most Recently Completed Pay Year (2016/17) is a total of \$702,404 for the current 4 executives and two Chiefs of Staff. It should be noted that actual salary and performance related pay was higher in the previous year but the Executive group was reduced from 5 to 4 positions during the year (not including Chief of Staff roles) as part of a restructuring.

WHCA has proposed a 5.0% maximum rate of increase to the envelope based on the factors outlined in section 3.3 of the BPSEC Framework Regulation. Although all the factors were considered, some factors were given more attention due to data availability and/or relative impact on WHCA' executive compensation needs and organization-specific circumstances. The following factors were the primary determinants:

- The financial priorities and the compensation priorities of the Ontario Government as indicated in the most recently published 2017 Ontario Budget:

Based on the 2016 Ontario Economic Outlook and Fiscal Review, transforming healthcare is one of the primary priorities for Ontario. The proposed maximum rate of increase would allow WHCA to attract, retain, and motivate executives that are critical to leading the delivery and execution of WHCA' mandate in its LHIN. The proposed rate also considers the organization's future compensation requirements to remain market-competitive with hospitals of similar size and complexity.

- Recent executive compensation trends in the part of the Canadian public sector and BPS that is in the industry within which the designated employer competes for executives.

Korn Ferry Hay Group's Executive Market Trends report indicates that executives in national broader public sector have received an average increase of approximately 1.9% annually to actual base salary between 2012 to 2017.

WHCA and other Ontario BPS organizations have maintained the same salaries for the last 7 years. The proposed maximum rate of increase of 5.0% will allow for the initial and future annual compensation adjustments needed to attract, retain and motivate the executive team, or address any internal/external inequities that may arise.

- Portion of operating budget used for executive compensation as compared to the comparator organizations
WHCA has made efforts to obtain data and analyze information regarding to this factor. However, at this time, this type of information is not readily available. We believe that our executive compensation portion with respect to our operating budget (WHCA's executive compensation portion is approximately 1.4% of the operating budget) is well within the predicted benchmarking amounts of other hospital organizations.

- The difference between the salary and performance-related pay range for executive positions and the salary and performance-related pay ranges for the employees or office holders who directly report to those positions.

Between 2013 to 2017, the non-executive managers received a salary increase between 1.0% to 2.0 % for cost of living and inflation adjustments. These employees would have received a cumulative increase of approximately 7.6% since 2013.

WHCA believes that the proposed maximum rate of increase of 5.0% would allow the executives to receive reasonable increases over time, up to the maximum total cash compensation cap, while working towards reasonable pay gaps between the executives and non-executives, and aiming to alleviate the inevitable compression issues between executives and non-executives if the designated executive group is not adjusted at a fair and reasonable pace going forward.

- Significant expansion in the operations of the designated employer that is not the result of a significant organizational restructuring

In May 2017, EllisDon Infrastructure Healthcare was selected to design, build and finance the new Groves Hospital. The new hospital will be built in Centre Wellington, between Elora and Fergus. Expected to be completed in late 2019, the new GMCH project will include:

- A replacement hospital built on a greenfield site, with more space for emergency, ambulatory, diagnostic and inpatient services to accommodate a growing community

- 37 of the 45 beds will be in private single patient rooms with a dedicated washroom and shower and large windows

- the remaining eight beds will be in two-bed rooms each with a private washroom
- Modernized infection control measures, including additional isolation facilities, to enhance the hospital's ability to respond to a pandemic or disease outbreak
- An onsite helipad to allow for faster access to patient transfers by air ambulance
- Large windowed areas that allow natural light to penetrate deep into the building and ultimately connect the interior with the outside
- Simplified way-finding, making it easy for visitors and patients to navigate to their desired destinations. Hospital services that are used most frequently by outpatients are positioned closest to the main entrance to ensure easy access.

Considering this expansion, and growth, the proposed maximum rate would allow WHCA to motivate and further retain its existing executive team, all of whom are highly talented with valuable experiences and skillsets and support WHCA' future operating complexities.

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

Element of Compensation

Car Allowance - Currently WHCA provides \$500/month for VPs plus mileage expense and \$960/month for CEO all inclusive. Non-executive managers receive mileage from site closest to their home.

Positions or Classes of Positions

All Executives

Rationale

WHCA offer car allowances to the executives given that WHCA is an alliance with 3 sites and executives are required to travel on a regular basis to conduct business activities in the region. This is a common practice across many similar type organizations.

This variation between employee groups reflects the very high frequency with which executives use their vehicles in the course of their job responsibilities. It avoids a very significant burden of record keeping which would otherwise be necessary and thus saves time and promotes efficiency in job performance. Also, other classes of employees use their vehicles relatively less, and are compensated fully via submission of their mileage claim forms.

F. Supplementary Information

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

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