

June 13, 2014

CEO & President of PSEC Secretariat
2nd Floor, 880 Douglas Street
PO Box 9400, Stn Prov Govt
Victoria, BC V8W 9V1

RE: Public Sector Employers Act – Section 14.8(3)
Public Sector Executive Compensation Reporting Form 2013 / 2014

Please find attached the Vancouver Coastal Health Authority's (VCH) Statement of Executive compensation for the fiscal year 2013/14. This report is provided in compliance with section 14.8(3) of the *Public Sector Employers Act* and in the form and manner established by the Public Sector Employers' Council (PSEC) per the Public Sector Executive Compensation Reporting Guidelines.

The report that follows is in two parts. Part One is a narrative discussion of VCH's compensation philosophy, policies and practices. Part Two is the Summary Compensation Table for VCH.

The board is aware of the executive compensation paid in the prior fiscal year. The compensation information being disclosed is accurate and includes all compensation paid by the employer, foundations, subsidiaries, or any other organization related to or associated with the employer. It also includes the value of any pre or post-employment payments made during the 12 month period before or after the term of employment. The board verifies that compensation provided was within approved compensation plans and complies with the Public Sector Executive Compensation reporting guidelines.

If you have any questions or require clarification, please contact Ms. Debbie Blaney, Executive Director, Recruitment and Compensation/Classification, Employee Engagement, VCH at 604-875-4592.

Sincerely,



Kip Woodward
Board Chair, VCH



Part 1 - Framework for Total Compensation

Compensation Plan

VCH is an employer member of the Health Employers' Association of BC (HEABC) and bases its compensation practices on HEABC's Compensation Reference Plan. The Plan has been developed pursuant to the statutory requirements of the Public Sector Employers' Act and is applied across the employer members of HEABC for all excluded VCH employees, including non-union, management and executive roles within healthcare.

Job Evaluation. A common Job Evaluation Plan for health employers to assess the level of responsibility, skills and qualifications required of a job. The evaluation determines the appropriate salary range that is set for a job.

VCH reviews job evaluations with the HEABC to ensure consistency of application across the province.

Salary Ranges. Health employers use salary ranges for their assigned Employer group. Each range has a minimum and maximum amount. Individual salaries are set between these two limits. The salary ranges are used to set compensation for all excluded roles up to, but excluding, the Chief Executive Officer.

HEABC conducts a compensation survey on behalf of health employers. The survey collects compensation information from employers in the health, public and private sectors. The survey data is used to support recommendations to the Public Sector Employer's Council (PSEC) for approved salary ranges. PSEC approves salary ranges based on a guidelines set by the Government and the recommendations from HEABC.

VCH establishes individual compensation rates within the limits of the approved salary ranges. Annual salary adjustments are provided based on performance and available room on the specific salary range.

Since April 1, 2009 VCH Excluded Ranges remained frozen as per PSEC's directions. Positions in Ranges 9 and above continue to be frozen. Effective April 1, 2013 non-management positions in Ranges 1 to 7 were unfrozen. In addition and as approved by PSEC, designated non-management positions in Range 8 were also unfrozen.

The salary ranges do not include a range for the Chief Executive Officer. The total compensation allowable for the Chief Executive Officer is established by the Ministry of Finance as part of a Province-wide Public Sector CEO Compensation initiative. Any amendments to existing CEO compensation plans must be approved by the VCH Board of Directors and Minister of Health, prior to seeking approval from the Minister of Finance.

Compensation Guidelines. Common guidelines help to establish consistency in compensation practices across health employers.

VCH uses the guidelines to guide its administrative practices as well as the framework for employment contracts.

The terms and conditions of employment of VCH Executives are outlined in an individual employment contract. All employment contracts are filed with the Public Sector Employers' Council Secretariat and made available for disclosure at the Corporate Office.

Benefits

VCH's Senior Executive benefit package includes: MSP, sick leave, group life insurance and AD&D (five times annual salary), dependant life, extended health plan (including Vision care), long term disability, dental plan and enrolment in the Municipal Pension Plan. Our benefit package is comparable with other health sector employers in BC.

Perquisites

VCH reimburses individuals for reasonable business expenses, supported by receipts. The Chief Executive Officer and designated Senior Executives are provided with a car allowance.

Notes:

David Ostrow, President & CEO

- Dr. Ostrow was seconded by UBC to the VCH CEO role. The amounts reimbursed from VCH to UBC for the CEO role are included in the amounts above.
- Dr. Ostrow is a practicing physician with earnings paid by MSP and disclosed through the FIA requirements.
- Compensation for 2012/13 has been restated to include reimbursement of pension contributions of \$18,941 related to 2012 that was paid in 2013/14.
- Reimbursement of pension contributions of \$19,013 related to 2013 was paid and reported in 2013/14.
- Dr. Ostrow resigned effective April 11, 2014

Duncan Campbell, CFO & VP Sys Devel & Perform

- \$1,730 included in Other is Additional Responsibility Pay.
- Duncan Campbell resigned effective April 5, 2013.

Mary Ackehusen, COO - Vancouver Acute

- \$27,248 included in Other is Additional Responsibility Pay.

Jeff Coleman, VP, Regl Programs & Serv Integr

- Dr. Coleman is a part time practicing physician on a contract for clinical services with Providence Health Care (PHC), an affiliate. The compensation Dr. Coleman receives under this contract is not included in the disclosed compensation.

Patrick O'Connor, VP, Medicine, Quality & Safety

- Dr. O'Connor is a practicing physician with earnings paid by MSP and disclosed through the FIA requirements

Glen Copping, CFO & VP Sys Devel & Perform

- Commenced employment September 16, 2013

Certain employees with ten or twenty years of service and having reached a certain age are entitled to receive special payments upon retirement or as specified by collective agreements. These payments are based upon accumulated sick leave credits and entitlements for each year of service. Credits are paid out at the time of leaving the workforce if the person leaves on or after age 55 upon retirement, termination, death or disability. No payout is made in the event that the employee is dismissed with just cause.