



NORTH BROWARD HOSPITAL DISTRICT  
BOARD OF COMMISSIONERS  
**HUMAN RESOURCE COMMITTEE MEETING**

1700 NW 49<sup>th</sup> Street, Ste. 150  
Fort Lauderdale, FL  
MARCH 28, 2018 | 12:30pm

**\*MINUTES**

**MEETING CALLED TO ORDER:** 12:34 pm

**BOARD MEMBERS:**

- X Chairman Rodriguez
- √ Commissioner Ure
- √ Commissioner Wellins

**PUBLIC COMMENTS:** No public comments at this meeting

**APPROVAL OF MINUTES:** No minutes to approve at this meeting

Commissioner Wellins announced that Commissioner Rodriguez resigned from his position with the Board of Commissioners. On behalf of all the Board of Commissioners, he would like to thank Former Commissioner Rodriguez for his leadership, dedication and his contribution throughout the years.

**TOPIC OF DISCUSSION:** President / CEO Contract Approval

Mr. Nyamora reported that at the January Board Meeting Ms. Capasso was selected as President and CEO for Broward Health. Chairman Rodriguez assigned contract responsibility to Commissioner Klein, Board

Treasurer. Market survey data was obtained in addition to a review of salaries at similarly situated local public health systems, such as Jackson and Memorial Health Care systems. The market's base salary recommendation for Presidents and CEOs for Broward Health is \$852,813.00. A draft contract was prepared based on the Districts form agreement that were used for previous CEOs at the District. At the request of Commissioner Klein, outside counsel also reviewed the draft contract. Ms. Capasso has agreed to take more than \$100k less than the recommended FMV salary. Ms. Capasso's proposed salary will be \$750k effective retroactive to January 31<sup>st</sup>, 2018. For comparison Aurelio Fernandez, President/CEO at Memorial Health Care System accepted a base salary of \$790,760.00 in July of 2016. Carlos Migoya, President/CEO of Jackson Memorial Health Care System accepted a \$730k base salary with performance bonuses of greater than 50% in May 2017. Ms. Capasso's performance review should be conducted by the Board annually. Ms. Capasso will also be eligible for the Management Incentive Plan as it is being proposed for Senior Leadership Employees. In addition, Ms. Capasso has the potential to earn a 20% annual incentive bonus for the effective improvement of Broward Health Compliance Program, in Compliance with the CIA for each reporting period as defined in the District's Corporate Integrity Agreement.

Ms. Capasso's salary plus incentive compensation is still less than the fiftieth percentile in a dollar/percentage basis and her total package is less than the total package of both CEOs at Jackson and Memorial. The 20% bonus is based on achieving certain targets related to the CIA and paid at the conclusion of the CIA year.

Mr. Nyamora also reported the CEO base salary at Baptist Hospital is approximately one million dollars.

Commissioner Ure wanted clarification to what portion of the Incentive Compensation Plan is influenced by meeting certain financial metrics and whether or not the financial metrics are consistent with reducing the burden on tax payers.

Mr. Goldsmith explained that he would present a budget to the Board who would set the mileage rate. At that point whatever figure the Board decide needs to be decreased within the mileage rate, the organization needs to achieve that figure plus earn the gain share to fund the bonus. If the budget is achieved with no surplus, then the bonus would not be given. In addition, he stated that to have a balanced scorecard, the financial goal is not enough, and that is why the additional targets were included, such as the quality and people triggers.

According to Commissioner Ure, it is important that the Board be mindful that whatever is put in place would be sending a message to the market place, for whomever it is ultimately taking over the reins when Ms. Capasso's term is over.

Commissioner Wellins stated that Ms. Capasso's contract is for a three year term or the exit of the CIA, whichever is later. If at the end of the three year term the CIA obligation is not over, then there are 90 days prior to the end of the term to renegotiate the CEO contract.

Commissioner Klein shared that although he is not a member of the HR Committee, he wanted to attend the meeting so that he could participate in the discussion. He further confirmed that the contract is structured for a three year period or when released from the Corporate Integrity Agreement, whichever is later. The contract is also consistent with typical employment contracts, there are severance provisions for either party's option depending on certain circumstances such as for cause or certain contingencies.

As noted, there were outside counsel retained to review the contract. Outside counsel was comfortable with it.

**MOTION:**

Commissioner Ure moved that the HR Committee recommend to the Board approval of the CEO contract as presented between the District and Ms. Capasso as a Discussion Agenda item, seconded by Commissioner Wellins.

**Motion voted unanimously.**

**MEETING ADJOURNMENT:** 12:59 pm

**MOTION:**

Commissioner Ure motioned to adjourn the meeting, seconded by Commissioner Wellins.

**Motion carried unanimously.**

**AUTHENTICATION OF MINUTES:** Patricia Alfaro, Special Assistant to the Executive Team

\*Audiotape available upon request.