

PERTH AND SMITHS FALLS DISTRICT HOSPITAL

Board of Directors' Meeting
Tuesday, August 23, 2011
Main Boardroom, GWM Site
07:30 hours

PRESENT: D. Adshead, C. Beckett, L. Bisonette, J. Brown, L. Evans, L. Hendriks, W. Johnson, M. Ross, R. Schooley, *L. Sparks, Chair*, T. Stepanuik, B. Strachan

REGRETS: Dr. C. Ehrat, Dr. S. Muldowney, Dr. P. Roney, D. Staples

IN ATTENDANCE: B. Allen, Vice President, Finance & Support Services, K. Kelly, Recording Secretary, C. Cassidy-Gifford, Manager, Quality, B. Shaw for M. Guitard, President, GWM Auxiliary, M. Ashworth, President, SFCH Foundation, V. Munroe

1. CALL TO ORDER

The meeting was called to order by L. Sparks at 7:30 a.m.

2. CHAIR'S REMARKS

L. Sparks – welcomed everyone to the meeting. He offered his congratulations to D. Staples and the Town of Smiths Falls for assisting with Deer Lake evacuees. He reported that he and T. Stepanuik met with the CEO and Chair of Brockville General Hospital. He added that a further meeting with senior staff of both hospitals will be held this week. He noted that it was difficult to get a meeting with the BGH Board Chair. He anticipates speaking with members of the Brockville General Hospital Board at the upcoming OHA Annual Convention.

L. Sparks suggested moving the closed session to end of meeting. The members agreed to the change.

He then welcomed M. Guitard, President, GWM Auxiliary who presented her monthly report. L. sparks offered his sincerest thanks to the Auxiliary for their ongoing hard work each and every day.

M. Ashworth, Chair, Smiths Falls Community Hospital Foundation, then provided the foundation report. She reported that the requested \$450,000 cheque has been prepared and will be turned over to the hospital this week. She has spoken with each of the municipalities, with the exception of Merrickville, regarding the campaign fundraising and future pledges/donations. She further announced that the proceeds of this month's "Movie in the Park" night, scheduled for Thursday, August 25, 2011, will be given to the Foundation. The Foundation annual meeting will be held on September 28, 2011.

L. Sparks thanked M. Ashworth and the Foundation for the \$450,000 cheque.

3. APPROVAL OF AGENDA

RESOLUTION No.80/11

MOVED by L. Hendriks

SECONDED by R. Schooley

THAT the agenda for the August 23, 2011 Board of Directors' meeting be approved as circulated.

CARRIED.

4. DECLARATION OF CONFLICT OF INTEREST

Nil.

5. CONSENT AGENDA

At this point, L. Sparks asked the members to review the consent agenda items and information and to bring forward any items that should be moved to the open meeting for comment and/or discussion.

RESOLUTION No. 81/11

MOVED by J. Brown

SECONDED by R. Schooley

THAT the Consent Agenda be approved as presented.

CARRIED.

6. ACTION ITEMS

6.1 President & CEO Report – T. Stepanuik

T. Stepanuik referred the members to the "President & CEO Report" included in the meeting materials. He highlighted the following items:

- redevelopment – the next major move will be in October 2011;
- this move will involve the permanent move of Lab and the relocation of remaining M/S beds;
- he suggested that a tour be given during the next Building Committee meeting in September
- he expressed his appreciation to hospital employees for their efforts during the recent Deer Lake evacuees' situation. He noted that they worked in close collaboration with allied health partners. He gave special thanks to L. Bisonette who did an admirable job coordinating on behalf of the hospital.
- *Freedom of Information and Protection of Privacy Act* – as discussed at the April and June board meetings, FIPPA legislation is a daunting undertaking. A

number of education sessions have been held for the hospital sector. A presentation will be made to the board in September (with C. Cassidy-Gifford).

RESOLUTION No. 82/11

MOVED by L. Hendriks

SECONDED by L. Evans

THAT the Perth and Smiths Falls District Hospital Board of Directors' hereby accepts the report of the President & CEO.

CARRIED.

6.2 CHIEF OF STAFF REPORT – DR. P. RONEY

- no report was provided due to the absence of Dr. Roney.

6.3 2011/2012 Board of Directors' Meeting Listing

L. Sparks referred the members to the meetings list included in the materials. He noted that pending the completion of the SF Boardroom, the October Board meeting may be shifted to SF Site.

6.4 Municipal Representation – L. Sparks

L. Sparks reported that letters (in package) were sent to the Mayors of the Town of Perth and the Town of Smiths Falls regarding the hospital's request for candidates for municipal representation on the hospital board of directors.

He noted that for the Town of Smiths Falls, Mayor Staples was put forward for the upcoming year (per their resolution) and for the Town of Perth, two names (Mayor John Fenik and Councillor Judy Brown) were put forward.

Discussion ensued regarding the annual appointment and it was agreed that the matter would be deferred to the Governance Committee to review. The annual appointment is based on practice and is not a requirement under the *Public Hospitals Act*.

RESOLUTION No. 83/11

MOVED by B. Strachan

SECONDED by D. Adshead

THAT the Perth and Smiths Falls District Hospital accepts the recommendation appointing Mayor Dennis Staples, Town of Smiths Falls and Councillor Judy Brown, Town of Perth to the board until the June 2012 annual general meeting.

CARRIED.

6.5 PSFDH Board of Directors' May 24, 2011 Minutes – L. Sparks

L. Sparks referred the members to the minutes from the May 24 meeting. The corrected minutes were given for information.

7 **CLOSED SESSION** – moved to later in the meeting.

8. **BUSINESS ARISING FROM MINUTES**

8.1 South East Local Health Integration Network

8.1.1 Clinical Services Roadmap

T. Stepanuik referred the members to the number of documents including in the meeting materials. He advised that each organization in SE LHIN is now reviewing the operational plans/roadmaps. At present, the PSFDH senior leadership council is conducting its reviewed based on the framework provided by the SE LHIN.

It is the goal for PSFDH to have comments back from clinical chiefs with a report prepared and sent to the SE LHIN (early September).

He advised that there are approximately 100 recommendations for all of the teams and due to the volume, they (recommendations) were not forwarded to the Board. A copy of the hospital's response to the SE LHIN will be shared with the Board of Directors.

Discussion ensued regarding the need for a common IT system. T. Stepanuik commented that to have a common IT system would be the responsibility/investment of the SE LHIN.

T. Stepanuik will prepare a comprehensive document setting out the 100 recommendations for the next board meeting. The plans will also be uploaded to the portal. T. Stepanuik also offered to present a report to D. Adshead and W. Johnson for their information.

L. Sparks noted that the meeting scheduled by the SE LHIN for September 22 has been arranged to provide background and update on the clinical services roadmap. K. Kelly to forward the meeting notice to the board members.

Further discussion ensued regarding the possible coordination of services with areas outside of LHIN. T. Stepanuik noted that the clinical services roadmap does not look outside of the SE LHIN at this point.

L. Evans commented that every LHIN has borders and boundaries so each LHIN must go through integration and collaboration initiatives amongst neighbouring LHINs.

8.1.2 SE CHEF Meeting

T. Stepanuik reported that the focus of the recent meeting was on a presentation regarding potential leadership opportunities for physicians and middle managers.

8.1.3 Clinical Leaders Meeting

L. Bisonette reported that the priority framework from Cancer Care Ontario will be included with the next package for board information. She noted that it was not available in time to be shared.

She advised that there will be a presentation from Brenda Carter, Regional Vice President, Cancer Care Ontario at the next Clinical Leaders meeting.

8.1.4 Joint Meeting of Boards – Thursday, September 22, 2011

- discussed earlier in meeting.

8.1.5 Board Chairs' Meeting

L. Sparks reported that the group has not had a meeting since May 2011. It is anticipated that there will be a meeting in September. A brief discussion ensued regarding the position of chair and the present acting chair.

8.2 Family Physician Shortage – Smiths Falls – Update

T. Stepanuik reported that the recruitment process is ongoing. To date, there is one physician couple that is interested in the organization and area, however, nothing has been confirmed. He added that the hospital has been reworking new marketing material for the physician recruitment program at the hospital. This information should be available to be shared with Board in October 2011.

Discussion ensued regarding the number of unattached patients in Perth this summer. It was noted that should the numbers continue at the current level, the hospital will investigate the possible factors.

8.3 Strategic Plan – L. Sparks

L. Sparks noted that effort has been made to coordinate a date with TNG to present to the members. TNG is not able to attend in August/September meetings. Will look at options to learn about the 360 degree appraisal; more information at next meeting; suggest a special meeting; an email will be forwarded to the board.

8.4 SF Site Redevelopment – T. Stepanuik

8.4.1 Mediation

- scheduled for October 14
- rep. hospital TS, JLL, ED, legal counsel
- report back at October board meeting

8.4.2 Phase 3 Project Schedule

T. Stepanuik reported that claim has been made by the hospital stemming from a flood in ER earlier this summer. The flood resulted from the negligence of trades (under Aecon). He noted that a pipe had not been capped and that there was subsequently heavy rainfall. He further reported that Aecon will be doing the work to remedy the situation.

T. Stepanuik commented that while there was to be work in the ER (such as new windows, HVAC), the hospital did not contemplate doing the degree of work that is now required (drywall, flooring, new lights, etc.).

The organization has been working through the claim with FM Global and Crain & Schooley. He stated that the representative from FM Global has been very accommodating and at the end of the process will send a letter to this effect to the company.

T. Stepanuik then provided an update on the delay claim. He noted that per the June 28, 2011 resolution regarding the engagement of the firm, TDF to provide an initial

analysis, the hospital has now engaged a delay claim firm to review the claim for its validity. The approval of this engagement was given by the Executive Committee.

B. Allen advised that a meeting was held last Thursday to discuss the ER situation. He noted that the ER work schedule has been revised and an update schedule should be supplied by the next meeting.

8.4.3 Phase 3 Exterior Work Schedule

- discussed earlier in meeting.

8.5 SFCH Foundation – Request for Funds

L. Sparks further acknowledged M. Ashworth and the Smiths Falls Community Hospital Foundation for the cheque (\$450,000).

8.6 OHA Member Engagement

T. Stepanuik advised that information stemming from the recent member engagement forum has not yet been released. If available, the information will be included in the September board meeting materials.

8.7 By-Law Changes

L. Sparks reported that subsequent to the motion (passed) at the Annual General Meeting regarding by-laws changes specific to a skills based board. At the AGM, L. Sparks agreed to further review this matter. He confirmed that the Governance Committee will review and will consider what the practice is at other Ontario hospitals. C. Beckett confirmed that this topic will be discussed by the Governance Committee at its September meeting.

9. NEW BUSINESS

9.1 Meeting with B. MacDonald, Liberal Candidate (July 26, 2011) – L. Sparks

L. Sparks reported on the recent meeting with B. MacDonald, Liberal candidate. He noted that the meeting took place on the same day as the South East LHIN meeting.

He advised that following the hospital presentation on state of finances to Mr. MacDonald, he (B. MacDonald) subsequently spoke with people in Minister Matthews office regarding the situation. L. Sparks noted that Mr. MacDonald appreciated his time in meeting with the hospital representatives.

9.2 Meeting with SE LHIN Executives (July 26, 2011) – L. Sparks

L. Sparks provided his comments on the July 26 meeting with representatives of the South East LHIN. He noted that the meeting went better than he expected. He added that he thought that there was some movement with the LHIN CEO. He stated to the SE LHIN representatives that the PSFDH Board of Directors is committed to a balanced budget and posed the question of whether the SE LHIN was committed to having the hospital balance its budget.

R. Schooley offered his comments and found that it was a collegial meeting. He noted that the SE LHIN appeared direct that there would be no funding reallocations within the SE LHIN at this time. He added that the Acting Chair spoke eloquently on behalf of the hospital.

L. Sparks noted the LHIN's comment that the PSFDH is the least of the LHIN's issues at the present time. There was much discussion regarding the hospital's deficit. The SE LHIN offered a waiver however, it was noted that this does not solve the funding issue.

T. Stepanuik offered his comments on the meeting and noted that the SE LHIN is embarking upon a voluntary analysis to review performance, efficiency, etc. of the PSFDH. T. Stepanuik noted that he would have liked to have completed the analysis in August, however, it is likely that it will be completed in September. He will forward a copy of the preliminary report to the Finance Committee in September.

T. Stepanuik stated that the staff of SE LHIN will be conducting the study. The hospital has provided information to the LHIN (information from LHIN, Ministry, benchmarking data (HCM), HBAM information, CPWC information (from Ministry)). It is anticipated that the data will conclude what the hospital has been stating regarding its financial position.

9.3 Deer Lake Fire Evacuees – Report – L. Bisonette/D. Staples

- item was discussed earlier in meeting.

9.4 3SO

T. Stepanuik referred the members to the legal opinion included in the meeting materials. He stated that the opinion was included for board information. This item will be discussed at September 3SO board meeting. T. Stepanuik further reported that he has spoken with the Executive Director and Chair of 3SO to discuss his concerns regarding disclosure and conflict of interest. He added that he has also spoken with the past chair of the 3SO board. T. Stepanuik stated that the practice places an unrealistic expectation on board members (CEOs and CFOs) and noted that the memo speaks to moving to an independent board.

10. BOARD COMMITTEE REPORTS

10.1 Executive Committee – August 16, 2011 – L. Sparks

10.1.1 Board Committee Structures

L. Sparks referred the members to the committee structures' listing and noted that should there be any concerns members can speak with L. Sparks. L. Hendriks commented that she would like to sit on Governance.

L. Sparks noted that he would like to see changes to the Treasurer's title (to Vice Chair) as the role is much broader. Governance Committee will consider this item at the September meeting. T. Stepanuik will prepare a briefing note for the consideration of the Governance Committee.

10.2 Finance Committee – R. Schooley

10.2.1 Financial Summary

R. Schooley referred the members to the information included in the materials. HE reported that the hospital experienced a deficit for the month of July in the amount of \$84,911; this brought the year to date deficit to \$375,579.

Discussion ensued regarding ways to mitigate overtime costs. B. Allen noted that the overtime costs primarily stemmed from sick leave and pressures from the recent Deer

Lake situation. L. Bisonette added that acuity levels have been higher lately along with higher OR overtime costs (resulting from orthopaedic cases being performed after hours.)

B. Allen reported that the OR Committee has been meeting to review costs discuss remedies. The suggestion to reduce the elective procedures list is being considered. This would allow for more time to deal with emergent cases. R. Schooley noted that the objective was not to cancel surgeries. The hospital has been working collaboratively with physicians and clinical personnel.

10.2.2 Short & Long-Term Financing

R. Schooley referred the members to briefing note circulated at the meeting by B. Allen. He confirmed that the briefing note was reviewed and discussed at the recent Finance Committee meeting. He confirmed that the expenses for the Honeywell energy initiative will be realized in 10.5 years through the savings of the initiative. L. Sparks added that the board will have difficult discussions and tough decisions to make. He added that it continues to be extremely important that R. Schooley keep the finance information in focus for the board.

RESOLUTION No. 84/11

*MOVED by R. Schooley
SECONDED by M. Ross*

WHEREAS the Perth and Smiths Falls District Hospital (the "Hospital") is currently experiencing an operating cash flow deficit that is consistently exceeding \$5 million each month;

AND WHEREAS the Hospital's redevelopment project is coming to an end and short term financing will be required to bridge the end of the project until final funding is received from the Ministry of Health & Long-Term Care and Foundation;

AND WHEREAS in an effort to reduce energy costs, the Hospital is working with Honeywell toward implementing an energy retrofit program;

AND WHEREAS as a result of a motion put forward by the Finance Committee directing the President & CEO to explore financing options with various financial institutions for matters regarding redevelopment, energy project, operating and possible IT upgrades;

BE IT RESOLVED THAT:

THE Finance Committee recommends to the Perth and Smiths Falls District Hospital Board of Directors to authorize the President & CEO to enter into financing agreements with the Bank of Montreal for \$13 million (Operating - \$7 million, Redevelopment - \$4 million and Energy Project - \$2 million).

CARRIED.

The members discussed interest options and how the various options will impact the day to day operations. R. Schooley advised that a number of interest options have been

offered for the various projects and initiatives. B. Allen added that there are various rates on various instruments and products and that decisions will be made for each area.

10.2.3 Funding Announcements

R. Schooley advised that the recent funding announcements allowed for amounts as anticipated by the hospital. The base funding increase for the hospital was 1.5% (as expected).

R. Schooley then reviewed the funding letters.

Transfer Payment Annual Reconciliation for Lanark County Support Services

R. Schooley provided background information on the above noted report and then put forward the following resolution for the board's consideration.

RESOLUTION No. 85/11

*MOVED by R. Schooley
SECONDED by D. Adshead*

THAT the Perth and Smiths Falls District Hospital Board of Directors authorizes Larry Sparks, Chair, to sign and submit to the Ministry of Community & Social Services the report entitled, "Transfer Payment Annual Reconciliation" for Lanark County Support Services for 2010/2011.

CARRIED.

L. Bisonette commented that the hospital regularly applies for various pockets of funding for nursing initiatives such critical care training, late career nursing and new grad guarantee (for RPN and RN program).

L. Sparks encouraged members to attend the upcoming employee awards to get a sense of the enthusiasm and culture of organization.

11 OTHER BUSINESS

11.1 OHA Annual Convention & Exhibition – L. Sparks

R. Schooley noted that the board budget is setting at approximately 4% with a 1/3 of the fiscal year past. He suggested that members take the opportunity to attend education session. L. Sparks asked that if any members are interested in attending the OHA sessions, to contact K. Kelly. He noted that the number of registrants is limited for the upcoming events. A resolution will be brought forward at the September board meeting to confirm the number/names of board delegates.

11.2 OHA Fall Health Care Governance Forum – L. Sparks

- see above.

11.3 OHA Risk Governance Session – L. Sparks

- see above.

J. Brown and C. Beckett left the meeting at 8:59 a.m.

7. CLOSED SESSION

At this point, the meeting of the Board of Directors moved to a closed session.

*RESOLUTION No. 85/11
MOVED by L. Evans
SECONDED by L. Hendriks*

THAT the Perth and Smiths Falls District Hospital Board of Directors' hereby move in camera at 8:59 a.m.

AND THAT that K. Kelly, Recording Secretary and B. Allen, Vice President, Finance and Support Services remain for the duration of the in camera session.

CARRIED.

RESOLUTION No. 86/11

*MOVED by R. Schooley
SECONDED by B. Strachan*

THAT the Perth and Smiths Falls District Hospital Board of Directors hereby move out of the in camera session at 9:49 a.m.

CARRIED.

12 DATE OF NEXT MEETING

The next meeting of the Perth and Smiths Falls District Hospital Board of Directors will be held on Tuesday, September 27, 2011 at 7:30 a.m. GWM Boardroom.

13 ADJOURNMENT

RESOLUTION No. 87/11

*MOVED by D. Adshead
SECONDED by M. Ross*

THAT the meeting of the Perth and Smiths Falls District Hospital Board of Directors be adjourned at 9:50 a.m.

CARRIED.

"Larry Sparks"

"Todd Stepanuik"

Larry Sparks, Chair

Todd Stepanuik, Secretary