

**BOARD OF TRUSTEES
MEETING MINUTES**

Wednesday, February 21, 2018 at 12:00 p.m.
Toronto General Hospital
Anthony S. Fell Boardroom – 1S425

Present:	Brian Porter (Chair)
Elected Trustees (Voting):	Peter Wallace Cliff Nordal Jan Campbell Dean Connor Doug McGregor Cornell Wright Lawrence Pentland Barbara Stymiest Dhun Noria Kelvin Dushnisky Peter Menkes Todd Halpern Ross Baker
Ex Officio Trustees (Non-Voting):	Charlie Chan (Interim CEO) Fei-Fei Liu (MAC Chair) Joy Richards (CNO) Eric Horlick (MSA President)
U of T Representatives (Voting):	Cheryl Regehr (Vice-President and Provost) Trevor Young (Dean of Medicine)
Regrets:	Dan Haas Thomas MacMillan Mark Osten (MSA Vice-President)
Recording Secretary:	Grace Ivo
Quorum – 40% of Voting Members or 7 Voting Members	

1.0 In Camera
No minutes taken.

2.0 Break

3.0 Call to Order
Mr. Brian Porter called the meeting to order at 2:15 p.m.

4.0 Declaration of Conflict of Interest
Mr. Brian Porter asked that any Board of Directors participating in this meeting let the Board know if they have any perceived or known Conflicts of Interest relating to any of the items listed in the Agenda for this meeting.

No conflicts were declared.

5.0 Minutes of Meeting – November 15, 2017

Pre-circulated for members' information were the minutes of the meeting held on November 15, 2017.

BOARD DECISION

On a motion duly made, seconded and carried, the Board of Trustees hereby approve the Minutes of the Meeting held November 15, 2017.

6.0 Chair's Report

Mr. Brian Porter provided a verbal update.

KEY DISCUSSION POINTS/RATIONALE

- Mr. Brian Porter provided an update on the President & CEO Search. The Search Advisory Committee completed their interview process with all qualified candidates and shortlisted two candidates.
- The Board of Trustees interviewed two qualified candidates earlier today during the External Trustees Session.
- Ms. Emma Pavlov provided an update on the Submission of Executive Compensation Framework to the Ministry of Health and Long-Term Care and Treasury Board. Management has completed work on the Executive Compensation Framework in compliance with legislative requirements. The Governance and Nominating Committee of the Board approved the Framework and it was submitted to the Ministry of Health and Long-Term Care and Treasury Board for approval. The Framework will be posted publicly for 30 days upon approval.

7.0 Chief Executive Officer's Report

Pre-circulated for members' information was the Chief Executive Officer's Report.

KEY DISCUSSION POINTS/RATIONALE

- Charlie Chan provided an update on UHN's surge pressures and increased demand on our emergency departments and units. This is currently a top priority for our organization.
- We received additional funding for 30 beds to help counteract flu season, but this only offsets a fraction of the strain that our teams are experiencing.
- UHN is currently operating with 80 additional beds opened, 50 of which are unfunded. Since the majority of these beds opened in January 2018, most of the financial impact of these surge beds will be seen in the fourth quarter as noted in the Chief Financial Officer Report. While our clinical teams continue to find ways to accommodate patients entering our hospitals, patients are being admitted faster than they can be discharged.
- Last week the media reported on a person who was arrested early January 2018 by Toronto Police. There are a number of charges for inappropriate pornographic materials to a minor. There was very little information the papers received from UHN on this employee; UHN does not comment on matters of individual employment, nor do we talk about individual investigations or the results of an investigation.

8.0 Chief Financial Officer's Report

Pre-circulated for members' information was the Chief Financial Officer's Report.

KEY DISCUSSION POINTS/RATIONALE

Darlene Dasent highlighted the following:

- December Year-to-Date (YTD) Q3 financial results have been released; \$7.8 M operating loss which is a 49% improvement compared to prior year due to incremental MOHLTC revenues and \$49.8 M (3%) increase in revenues compared to prior year.

- Funding has been received from the MOHLTC of \$2 M for 30 bed surge capacity. Discussions continue regarding approximately \$10 M of additional clinical pressures.
- Segmented results demonstrate that large deficits in Research, Digital and Facilities (utilities and space) are significantly eroding gains in MOHLTC funding.
- \$9.1 M of incremental capital allocated to address deferred maintenance.
- TG&WHF Research funding shortfall has been addressed with \$6 M of incremental funds identified and 80% (\$4.9 M) billed to date.
- Residual research deficit remains relating to indirect costs – 5% administrative fee for research support planned for April 1, 2018.
- 2018/19 Hospital Annual Planning submission submitted to the MOHLTC outlining \$41 M of pressures with plan to balance comprised of \$16 M MOHLTC funding and \$25 M UHN savings.

9.0 Finance and Audit Committee

9.1 Minutes of Meeting – November 10, 2017

Pre-circulated for members' information were the minutes of the meeting held on November 10, 2017.

9.2 Finance and Audit Briefing Notes for Approval

Pre-circulated for members' information were the Finance and Audit Committee recommendations from its February 20, 2018, meeting.

Ms. Barbara Stymiest provided brief updates on the recommendations made from its February 20, 2018, Finance and Audit Committee meeting.

- a) UHN Financial Statements for the Nine Months Ended December 31, 2017.

KEY DISCUSSION POINTS/RATIONALE

- H-SAA governs the flow of most funding from the MOHLTC to UHN. Revenues booked in the accounts related to the H-SAA are supported by volumes achieved.
- Balance sheet as at December 31, 2017, remains capable of managing operations deficit with a working capital Current Ratio of 0.89 (budget of 0.84; year-end target of 0.90). Cash is ahead of budget by \$40 M (36%) due to timing of cash expenditures. Capital purchases YTD December of \$83 M is \$67 M behind budget (\$150 M) due to timing of major projects and equipment spend. YTD December, \$29 M spent on large facility maintenance (FCAP) projects with \$36 M anticipated to be spent by fiscal year-end. Capital contingency of \$20 M remains primarily unspent (\$16 M available).
- YTD December deficit of \$7.8 M is \$7.5 M ahead of prior year (\$15.3 M). Note deficits are typically experienced in the early quarters of the fiscal year due to the timing and flow of MOHLTC funds and the practice of recording one-time revenues and reserves in Q4, once confirmed.

BOARD DECISION

On a motion duly made, seconded and carried, the Board of Trustees approve the Financial Statements for the nine months ended December 31, 2017.

- b) SPARK Phase 2 TPA Amendment

KEY DISCUSSION POINTS/RATIONALE

- Original TPA between UHN and the MOHLTC was for approximately \$3.5 M from April 1, 2017, to March 31, 2019. The proposed amendment will be for an additional value of approximately \$1.5 M bringing the total value to approximately \$5 M. This change will include the addition of a Privacy Specialist to participate in supporting the technical build of the Digital Health Consumer Gateway (DHCG). This change does not affect overall project

duration, strategic considerations, or the level of risk to UHN.

BOARD DECISION

On a motion duly made, seconded and carried, the Board of Trustees approve to proceed with the SPARK Phase 2 Transfer Payment Agreement Amendment for a funding increase from the MOHLTC to UHN of approximately \$3.5 M to \$5 M.

c) Terms of Reference Amendments – Finance and Audit Committee

KEY DISCUSSION POINTS/RATIONALE

- For clarity, it is recommended that the Finance and Audit Committee Terms of Reference specify that Michener matters are reported to the Michener Board of Governors. As such, Management recommends the following ToR addition: “To advise and make recommendations to the UHN Board of Trustees or Michener Board of Governors.”

BOARD DECISION

On a motion duly made, seconded and carried, the Board of Trustees approve the amended Terms of Reference of the Finance and Audit Committee.

10.0 Safety and Quality Committee

10.1 Minutes of Meeting – October 30, 2017

Pre-circulated for members’ information were the minutes of the meeting held on October 30, 2017.

10.2 Discussion of Issue Raised at the January 29, 2018 Committee Meeting

Ross Baker provided an update on the issues that were raised at the January 29, 2018, Safety and Quality Committee meeting.

11.0 Remaining Committee Reports

11.1 Governance and Nominating Committee, Minutes of Meeting – September 20, 2017

Pre-circulated for members’ information were the minutes of the Governance and Nominating Committee meeting held September 20, 2017.

KEY DISCUSSION POINTS/RATIONALE

- Mr. Brian Porter provided an update on the Governance and Nominating Committee meeting held earlier today. Larry Baldachin updated the committee on how COI is being managed more broadly within UHN.
- Mr. Brian Porter noted that three Board seats will open up in June, 2018. The Governance and Nominating Committee are reviewing a slate of potential trustees.

11.2 Research Committee, Minutes of Meeting – September 25 and December 11, 2017

Pre-circulated for members’ information were the minutes of the Research Committee meetings held September 25 & December 11, 2017.

KEY DISCUSSION POINTS/RATIONALE

- Lawrence Pentland provided an update on the communication message that will be sent out on the new support service fee. The Executive team, the Foundation leaders, the Research Councils of each Research Institute and the UHN Board of Trustees support a new support service fee, which will come into effect in April 2018. It is a new 5% fee on operating expenses made to RFS accounts held at UHN that are funded by grants, contracts and foundations that do not include associated funding to cover indirect expenses. This fee is a permanent change and it is a necessary part of reducing our current year deficit and balancing the budget for future years.
- Cathy Hess has been selected and contracted as the strategic planning firm to facilitate Research Strategic Planning Town Halls in January and February 2018. The Town Halls

are being held as information sessions.

11.3 Education Committee, Minutes of Meeting – September 21, 2017

Pre-circulated for members' information were the minutes of the Education Committee meeting held September 21, 2017.

11.4 Michener Board Committee, Minutes of Meeting – July 28, September 21 and November 16, 2017

Pre-circulated for members' information were the minutes of the Michener Board Committee meetings held July 28, September 21 & November 16, 2017.

KEY DISCUSSION POINTS/RATIONALE

- Cliff Nordal provided a brief update on Michener's Fundraising Campaign, Personal Support Worker Project and St. Patrick Campus 12th Floor Build Project.

11.5 Human Resources Committee, Minutes of Meeting – no minutes to review

11.6 Medical Advisory Committee, Minutes of Meetings – November 2, December 7, 2017 and January 11, 2018

Pre-circulated for members' information were the minutes of the Medical Advisory Committee meetings held November 2, December 7, 2017, and January 11, 2018.

KEY DISCUSSION POINTS/RATIONALE

- Dr. Fei-Fei Liu provided an update on the Key Issues: Emergency Department (ED) and General Internal Medicine (GIM) Capacity Shortfall – risks to quality of clinical care, and staff burnout and Digital/IT tools are inadequate to enable effective clinical care delivery.

11.7 Medical Staff Appointments – November 2, December 7, 2017 and January 11, 2018

Pre-circulated for members' information were the Medical Staff Appointments approved by the Medical Advisory Committee at its November 2, December 7, 2017, and January 11, 2018, meetings.

The Board of Trustees receives the Committee Reports as information under tab 9.1, 10.1 and 11.0.

12.0 Digital Update

Dr. David Jaffray provided an update on UHN's Digital Cases for Investment.

KEY DISCUSSION POINTS/RATIONALE

- UHN Digital has focused on developing the cases for investment to support two integrated foundational investments:
 - Building Digital Operations Capability; and
 - Enterprise Storage & Compute Infrastructure. These investments are targeted for initial operation by the end of June 2018.
- Management will provide periodic updates to the Information Technology Committee, the Finance and Audit Committee, and the Board of Trustees on the progress of building UHN Digital and costs associated with this important transition.

13.0 Board Business

13.1 Executive Vice President Update – Chief Business Officer

Larry Baldachin provided an introduction to the restructured Executive Vice President & Chief Business Officer portfolio, highlighting high-impact initiatives in each department and described the Executive Vice President & Chief Business Officer focus for the next quarter.

14.0 2018/19 Board Work Plan

Pre-circulated for members' information was the 2018/19 Board Work Plan.

15.0 Enterprise Risk Management – 2017/18 Q3 Report

Pre-circulated for members' information was the Enterprise Risk Management – 2017/18 Q2 Report. The Enterprise Risk Management – 2017/18 Q2 report provides a summary of enterprise risks being managed by each Executive Vice President and brought forward to the Risk Committee.

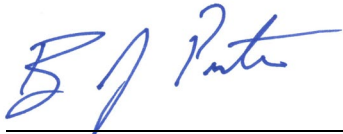
16.0 Date of Next Meeting

The annual Board of Trustees Retreat will take place on April 18, 2018, at 9:50 a.m. at the BMO Education and Conference Centre, Krembil Discovery Tower, Toronto Western Hospital, 60 Leonard Street.

17.0 Adjournment

There being no further business, the meeting was adjourned.

Mr. Brian Porter agrees these meeting minutes are an accurate reflection of the meeting.



Mr. Brian Porter
Chair, Board of Trustees
University Health Network

February 21, 2018

Date