

MINUTES of a meeting of the Boards of Directors of Baycrest Centre for Geriatric Care, Baycrest Hospital, The Jewish Home for the Aged and The Baycrest Day Care Centre (“Baycrest”) held on Tuesday, May 15, 2012 at 4:30pm

PRESENT: Banks, Jordan (teleconference); Blidner, Jeffrey; Foster, Garry; Jacob, Ellis (teleconference); Katz, Paul; Kay, Jack; Kimel, Warren; Koo, Manfred; Mirsky, Brian (teleconference); Nelson, Sioban; Reichman, William; Shapiro, Marla (teleconference); Sinervo, Pekka; Velji, Karima

REGRETS: Barratt, Jane; Godfrey, Paul; Grossman, Daphna; Melman, Anthony; Whiteside, Catharine; Zaidman, Jakov

GUESTS: Conn, David; Kent, Joni; Mackie, Brian; Schipper, Paula; Sutton, Susan; Webb, Nancy

1. CONFLICT OF INTEREST DECLARATION AND CHAIR’S REMARKS

G. Foster, Chairman, welcomed Board members. There were no conflicts declared. Mr. Foster noted that he has been attending many internal functions at Baycrest the last four weeks.

Mr. Foster advised that the Board would soon be receiving a request regarding a 360° assessment of the President & CEO, as well as a Board self-assessment.

Mr. Foster congratulated Nancy Webb and her team for their planning and execution of the May 10, 2012 event for His Excellency Shimon Peres, President of Israel.

Mr. Foster reported on various discussions he has had during the first several months as Chair with key stakeholders. He will provide a more fulsome report at the next Board meeting to be held June 21, 2012.

2. MINUTES OF THE APRIL 19, 2012 BOARD OF DIRECTORS MEETING

The minutes of the Board meeting held April 19, 2012 were approved. A copy of the material is on file with the master of these minutes.

<p><u>ACTION:</u> It was duly MOVED, regularly SECONDED and unanimously CARRIED THAT THE MINUTES OF THE APRIL 19, 2012 MEETING OF THE BOARDS OF DIRECTORS OF BAYCREST CENTRE FOR GERIATRIC CARE, BAYCREST HOSPITAL, THE JEWISH HOME FOR THE AGED AND THE BAYCREST DAY CARE CENTRE BE APPROVED.</p>

3. BUSINESS ARISING

There was no business arising from the previous minutes.

4. REPORT OF THE SPECIAL COMMITTEE

Mr. Foster presented the report of the Special Committee. A copy of the report in its entirety is attached to the master of the minutes.

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4.1 Terms of Reference

The draft Terms of Reference of the Special Committee was presented to the Board for approval. Terms of Reference were prepared to reflect a two-fold mandate including:

- a) To evaluate if and how Baycrest Centre for Geriatric Care should engage with a newly formed for-profit corporation that would be called Baycrest Global Solutions Inc. and;
- b) To establish a framework that ensures Baycrest is applying sound commercialization practices that represent its best business interests, while being fully compliant with all legal, regulatory and ethical requirements applicable to publically-funded, not-for-profit organizations.

<u>ACTION:</u> It was duly MOVED, regularly SECONDED and unanimously CARRIED THAT THE BAYCREST BOARD APPROVES THE SPECIAL COMMITTEE TERMS OF REFERENCE.
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4.2 Committee Update

Mr. Foster gave an update of the activities of the Special Committee. Discussions are ongoing and no final conclusion in terms of commercialization structure has been decided upon.

5. REPORT OF THE FINANCE & AUDIT COMMITTEE

E. Jacob gave a report of the Finance & Audit Committee. A copy of the report in its entirety is attached to the master of the minutes.

5.1 Five-Year Plan and Draft 2012/2013 Budget

Mr. Jacob informed the Board that the Committee has reviewed the Five-Year Plan and Draft 2012/13 Budget document and recommends it for approval by the Board.

<u>ACTION:</u> It was duly MOVED, regularly SECONDED and unanimously CARRIED THAT THE BAYCREST BOARD APPROVES THE 2012/2013 BUDGET.
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5.2 Foundation Business Plan - Financing

Mr. Jacob informed the Board that the Committee has reviewed the Foundation's Business Plan and the required financing totaling \$20 million over six years.

It was agreed the Finance & Audit Committee will provide the Board with quarterly progress updates.

ACTION: It was duly **MOVED**, regularly **SECONDED** and unanimously **CARRIED THAT THE BAYCREST BOARD APPROVES THE PROPOSED FINANCING OF THE PLAN WHEREBY IN THE COMING YEARS, AS NEEDED FOR THE CAMPAIGN, AND SUBJECT TO PROGRESS UPDATE MONITORING:**

- **THE CENTRE WILL REPAY THE INTER-COMPANY BALANCE OWED TO THE FOUNDATION AND REPLACE WITH BANK BORROWING (\$6 MILLION)**
- **THE CENTRE WILL BORROW THE FUNDS TO PAY FOR THE BRAIN HEALTH CENTRE RENOVATIONS AND BE REPAID FROM THE DONOR FUND AT THE END OF THE CAMPAIGN (\$5 MILLION)**
- **THE FOUNDATION WILL FUND OR BORROW THE REMAINING REQUIREMENT, UTILIZING THE CENTRE'S GUARANTEE TO THE BANK (\$9 MILLION), IF NECESSARY, AT THE DISCRETION OF THE BAYCREST CENTRE BOARD**

5.3 General Signing Authorization

General Signing Authorization for cheques and financial instruments was last revised and approved in June 2008. Authorized signatories and limits for Contract Management were last approved in September 2009. Revisions are now required to accommodate changes in the titles of authorized signatories. There have been no changes to limits. Exceptions to the limits for contracts are noted in the table attached as Appendix 4 to the master of these minutes.

ACTION: It was duly **MOVED**, regularly **SECONDED** and unanimously **CARRIED THAT THE BAYCREST BOARD APPOINTS THE FOLLOWING SIGNATORIES FOR CHEQUES AND FINANCIAL INSTRUMENTS:**

- 1. CHEQUES UP TO AND INCLUDING \$10,000 BY MECHANICAL SIGNATURE FOR FINANCIAL INSTRUMENTS UP TO AND INCLUDING \$10,000, THE SIGNATORIES WILL BE THE VICE-PRESIDENT, FINANCE AND INFORMATION SERVICES AND CFO (OR ANOTHER VICE-PRESIDENT IN HIS/HER ABSENCE) TOGETHER WITH ANY ONE OF THE VICE-PRESIDENTS OR ANY DESIGNATED OFFICER**
- 2. CHEQUES OR FINANCIAL INSTRUMENTS FROM \$10,001 TO \$200,000 MAY BE SIGNED BY THE VICE-PRESIDENT, FINANCE AND INFORMATION SERVICES AND CFO (OR ANOTHER VICE-PRESIDENT IN HIS/HER ABSENCE) TOGETHER WITH ANY ONE OF THE VICE-PRESIDENTS OR ANY DESIGNATED OFFICER**
- 3. CHEQUES OR FINANCIAL INSTRUMENTS FROM \$200,001 UP TO AND INCLUDING \$500,000 MAY BE SIGNED BY THE VICE-PRESIDENT, FINANCE AND INFORMATION SERVICES AND CFO (OR ANOTHER VICE-PRESIDENT IN HIS/HER ABSENCE) TOGETHER WITH ANY DESIGNATED OFFICER**
- 4. CHEQUES OR FINANCIAL INSTRUMENTS OVER \$500,000, OR ANY VALUE, MAY BE SIGNED BY ANY TWO DESIGNATED OFFICERS THE DESIGNATED OFFICERS FOR THE PURPOSES OF THIS RESOLUTION ARE AS FOLLOWS:**
 - **CHAIR, BOARD OF DIRECTORS**
 - **PRESIDENT AND CHIEF EXECUTIVE OFFICER**
 - **TREASURER**
 - **SECRETARY**

ACTION: It was duly **MOVED**, regularly **SECONDED** and **unanimously CARRIED THAT THE BAYCREST BOARD APPOINTS THE FOLLOWING SIGNATORIES FOR CONTRACTS:**

1. UP TO \$200,000 – APPLICABLE VICE-PRESIDENT **AND** VICE-PRESIDENT, FINANCE AND INFORMATION SERVICES & CFO
2. \$200,001 TO \$500,000 – APPLICABLE VICE-PRESIDENT **AND** PRESIDENT & CEO
3. \$500,001 AND OVER – PRESIDENT & CEO **OR** CHAIR, BOARD OF DIRECTORS **AND** VICE-PRESIDENT, FINANCE AND INFORMATION SERVICES & CFO **OR** TREASURER

THE ABOVE LIMITS ARE SUBJECT TO THE EXCEPTIONS LISTED IN THE TABLE ATTACHED AS APPENDIX 4 TO THE MASTER OF THESE MINUTES. FOR THE PURPOSES OF CLARIFICATION, SUCH DESIGNATION SHALL NOT APPLY TO OR REVOKE ANY RESOLUTIONS PASSED OR DESIGNATIONS MADE BY THE BOARD OF DIRECTORS WITH RESPECT TO THE EXECUTION OF CHEQUES OR INSTRUMENTS RELATING TO THE OPERATION OF THE CORPORATIONS' BANKING ACCOUNTS.

5.4 Special Request Related to Capital Expenditures

The Committee recommended for approval the special request for 2011/2012 capital expenditures totaling \$2,026,061 to be carried forward to the 2012/2013 capital budget as noted in the table attached as Appendix 5 to the master of these minutes.

ACTION: It was duly **MOVED**, regularly **SECONDED** and **unanimously CARRIED THAT THE BAYCREST BOARD APPROVES THE CARRY FORWARD OF 2011/2012 CAPITAL ITEMS, TOTALING \$2,026,061 TO THE 2012/2013 CAPITAL BUDGET.**

5.5 Special Request Related to Cogniciti Inc.

The Finance and Audit Committee reviewed the request by the CEO of Cogniciti Inc. for an additional shareholder investment of \$450,000. As Baycrest is an 80% shareholder, this would take the form of \$360,000 in cash from Baycrest, with \$90,000 payable in the form of services-in-kind by the 20% shareholder, MaRS Discovery Enterprises. The funds will be used to go against the final phase of current product development commercialization. The Committee agreed in principle that, pending approval of the board of Cogniciti on May 10, a recommendation would be made to the Board of Baycrest to approve the transfer of such funds. At its May 10, 2012 meeting, the Cogniciti board approved half of the \$360,000 investment (\$180,000). Approval of the remaining \$180,000 was withheld, but would also be granted pending final confirmation that a Fed/Dev grant of \$764,000 is secured. It was noted that the \$360,000 investment will come from the \$10 million MRI grant, held within the Foundation that is being used to fund the Centre for Brain Fitness.

ACTION: It was duly **MOVED**, regularly **SECONDED** and **unanimously CARRIED THAT THE BAYCREST BOARD APPROVES A FURTHER INVESTMENT OF \$180,000 IN COGNICITI INC. (AS APPROVED BY THE BOARD OF COGNICITI INC. AT THEIR AGM AND BOARD MEETING ON MAY 10, 2012).**

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5.6 Brain Health Centre Renovations

The Committee has reviewed and recommends for approval renovations to the Brain Health Centre (BHC) at a total cost of \$5.1 million. This includes all design and engineering fees, inspections, permits, project management, construction, and furnishings.

The Baycrest Foundation signed an agreement with a donor to receive a designated donation which included funds to renovate the three floors in the BHC. The balance in the designated fund for this project is currently \$4.9 million. An additional \$0.2 million is pledged for 2012/13. It is anticipated that there will be no further internal or external funding required for completion of this project. These funds are proposed to be leveraged to assist in financing the campaign. The BHC renovation project will be initially financed through Centre borrowing, with the campaign to ultimately repay the loan.

<u>ACTION:</u> It was duly MOVED, regularly SECONDED and unanimously CARRIED THAT THE BAYCREST BOARD APPROVES PROCEEDING WITH THE BRAIN HEALTH CENTRE RENOVATIONS AT A TOTAL COST OF \$5.1 MILLION.
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6. REPORT OF THE PRESIDENT AND CEO

Dr. W. Reichman, President and Chief Executive Officer, gave his report to the Board. A copy of the report in its entirety is attached to the master of the minutes.

7. OPEN DISCUSSION

G. Foster offered this time as an opportunity for members to discuss any matters unrelated to the agenda of this meeting.

8. REPORT OF THE CLINICAL STRATEGY, QUALITY & SAFETY COMMITTEE

Dr. M. Koo gave a report of the Clinical Strategy, Quality & Safety Committee. A copy of the report in its entirety is attached to the master of the minutes.

8.3 Emergency Preparedness

Dr. Koo gave an update and noted that Emergency Preparedness would be a standing item on each Board agenda.

8.4 Fire Services – Notice of Violation

The Committee was informed that as of May 1, 2012 the following action plan milestones have been achieved: 1) the Fire Safety Plan is onsite in the designated location, 2) an external service provider agreement has been implemented, 3) a checklist has been implemented to ensure compliance, 4) a process has been developed to ensure records are available and compliant, 5) evacuation equipment has been evaluated and purchased, and 6) a dedicated Emergency Management Coordinator has been recruited.

Of special note – B. Mackie, V. Oliveira, and R. Schwartz are recognized for their actions in reaching these risk mitigation action plan milestones. This became an incredible opportunity to see Baycrest staff at work.

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9. REPORT OF THE BAYCREST FOUNDATION

S. Sutton gave a report of the Baycrest Foundation. A copy of the report in its entirety is attached to the master of the minutes.

10. CONCLUSION

There being no further business, the regular meeting adjourned at 6:10pm.

G. Foster
Chairman, Board of Directors