

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 Thursday, May 7, 2013 at 4:30pm

PRESENT: Anderson, Carol; Barratt, Jane; Foster, Garry; Jacob, Ellis; Kay, Jack; Kay, Robert (teleconference); Koo, Manfred (teleconference); Mirsky, Brian; Reichman, William; Rosen, Gili; Soloninka, John; Zaidman, Jacov

REGRETS: Banks, Jordan; Blidner, Jeffrey; Godfrey, Paul; Katz, Paul; Kimel, Warren; Nelson, Sioban; Shapiro, Marla; Sinervo, Pekka; Whiteside, Catharine

GUESTS: Conn, David; Jackson, Linda; Kent, Joni; Mackie, Brian (teleconference); Sutton, Susan; Toppings, Marc

1. CONFLICT OF INTEREST DECLARATION AND CHAIR’S REMARKS

Mr. G. Foster, Chair, welcomed Board members to the meeting. Mr. Foster reminded the Board of his conflict as an employee of Deloitte. Item 7.8 “Indirect Tax Report” involves Deloitte’s findings of the Indirect Tax review. There were no other conflicts of interest declared.

The video “Faces of Baycrest” shown at the Baycrest Gala held in March was shared with Board members.

2. MINUTES OF THE MARCH 7, 2013 BOARD OF DIRECTORS MEETING

The supporting indicators added to the 2013/14 Quality Improvement Plan (QIP) were discussed in more detail (item 7.3 from the March 7, 2013 minutes). The minutes of the meeting held March 7, 2013 were then approved. A copy of the material is on file with the master of the minutes.

<p><u>ACTION:</u> It was duly MOVED, regularly SECONDED and unanimously CARRIED THAT THE MINUTES OF THE MARCH 7, 2013 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>
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3. BUSINESS ARISING

There was no business arising from the previous minutes.

4. REPORT OF THE PRESIDENT & CEO

Dr. W. Reichman, President and Chief Executive Officer, gave a brief report to the Board.

Dr. Reichman informed the Board that, in his opinion, the 2013/14 Budget, to be approved at this meeting, is the strongest budget since his arrival at Baycrest six years’ ago.

A copy of the report in its entirety is attached to the master of the minutes.

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4.3 Baycrest Global Solutions (BGS) Update

Dr. Reichman thanked Marc Toppings for the BGS synopsis which was provided as Appendix 2 in the Report of the President & CEO. This briefing note provides the Board with an update on the status of BGS and outlines next steps. The target date for a draft Master Agreement is July 1, 2013. The Board will be provided with a more fulsome discussion and an update at a future Board meeting.

5. RESIDENT PRESENTATION

Dr. Reichman introduced three guests, each residents of The Terraces. Francis Blugerman, Helen Cornfield, and Elizabeth Michnick were welcomed to the meeting and given the opportunity to discuss their lives and activities at The Terraces.

6. REPORT OF THE BAYCREST FOUNDATION

Ms. S. Sutton, President of the Baycrest Foundation, gave a report of the Baycrest Foundation.

Ms. Sutton advised that on April 1, management marked the launch of the Foundation's campaign. In addition, the recruitment of a high functioning team is complete and has created a high performance organization. This now allows Ms. Sutton the opportunity to be more externally focused. Ms. Sutton also informed the Board of recruitment activities relating to Foundation Board membership.

A copy of the report in its entirety is attached to the master of the minutes.

7. REPORT OF THE FINANCE & AUDIT COMMITTEE

Mr. 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.

7.2 2013/14 Budget & Mitigation Strategy

The Board was advised that the Toronto Central LHIN has accepted Baycrest's revised plan to close the ACT program, with the unit's beds remaining open to serve in a newer, specialized function. Baycrest will reconfigure its CCC services and implement a new service delivery model that facilitates the care transitions of clients. With expansion of capacity in other CCC areas, the net \$2 million savings may still be achieved. Management has advised that with the savings from reduced severance in this scenario, along with other initiatives being pursued during 2013/14, the cost of the delayed decision (\$160k per month for two to three months) can be mitigated.

7.3 Cogniciti Investment

The Finance & Audit Committee recommended an investment of \$150,000 in Cogniciti Inc. for approval by the Board. Cogniciti is an 80% owned subsidiary of Baycrest, with 20% of shares being held by MaRS Inc. The Cogniciti Board have approved, and are requesting from the shareholders, an additional \$150,000 to enable Cogniciti to develop their primary product, the On-Line Brain Health Assessment Tool, so it is ready for commercial launch. With the agreement of MaRS, this investment will come solely from Baycrest. These funds would be an allocation from the Centre's unrestricted general grant from the Foundation.

ACTION: It was duly MOVED, regularly SECONDED and unanimously CARRIED THAT THE BOARDS OF DIRECTORS OF BAYCREST CENTRE FOR GERIATRIC CARE, BAYCREST HOSPITAL, THE JEWISH HOME FOR THE AGED AND THE BAYCREST DAY CARE CENTRE ACCEPTS AND APPROVES A FURTHER INVESTMENT OF \$150,000 IN COGNICITI INC.

7.4 Working Capital Funding/KPIs

Baycrest was recently approved for enhanced funding for structural hospital working capital deficits. The first \$5.4M installment has been received of a total of \$16M funding that is being made available over three years. In March, this deficit stood at over \$25M. An accountability agreement has set specific balance sheet and operating surplus targets for the coming years. For example, the Centre must maintain a 1% surplus from 2013/14 through to 2019 and use it to cover the unfunded remaining working capital deficit. In addition, there are some restrictions over borrowing for capital projects.

A revised Five Year Plan was reviewed. Threats to the 2013/14 Budget were also reviewed, including a 0% increase for hospital funding and union employee compensation increases. It was noted that non-union employee increases have not been budgeted.

7.5 Special Requests Related to Capital Expenditures – Items to Carry Forward

The Finance & Audit Committee recommended the carry forward of 2012/13 capital items totaling \$3,752,000 to the 2013/14 capital budget.

ACTION: It was duly MOVED, regularly SECONDED and unanimously CARRIED THAT THE BOARDS OF DIRECTORS OF BAYCREST CENTRE FOR GERIATRIC CARE, BAYCREST HOSPITAL, THE JEWISH HOME FOR THE AGED AND THE BAYCREST DAY CARE CENTRE ACCEPTS AND APPROVES THE CARRY FORWARD OF 2012/13 CAPITAL ITEMS, TOTALING \$3,752,000 TO THE 2013/14 CAPITAL BUDGET.

7.6 HAPS/H-SAA 2013/14

The Finance & Audit Committee recommended approval of the H-SAA indicators, as part of the extension agreement, to be included in the Accountability Agreement for 2013/14.

ACTION: It was duly MOVED, regularly SECONDED and unanimously CARRIED THAT THE BOARDS OF DIRECTORS OF BAYCREST CENTRE FOR GERIATRIC CARE, BAYCREST HOSPITAL, THE JEWISH HOME FOR THE AGED AND THE BAYCREST DAY CARE CENTRE ACCEPTS AND APPROVES THE H-SAA INDICATORS, AS PART OF THE EXTENSION AGREEMENT, TO BE INCLUDED IN THE ACCOUNTABILITY AGREEMENT FOR 2013/14.

8. REPORT OF THE GOVERNANCE COMMITTEE

Mr. Foster gave a report of the Governance Committee. A copy of the report in its entirety is attached to the master of the minutes.

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8.1 Board and Board Committee Membership and Succession Planning

Mr. Foster gave a summary of Board and Board Committee membership, as well as succession planning.

Mr. Foster has been in contact with all Board members concerning their interest in continuing to serve on the Board and possible roles on Board Committees.

Mr. Ellis Jacob will step down from his role as Chair of the Finance & Audit Committee, but will remain on the Board. Ms Lili Shain, currently a member of the Finance & Audit Committee, will become Chair of that Committee and will also become a member of the Board. In the fall, Dr. Pekka Sinervo will step down both as Chair of the Academic Advisory Committee and as a Board member. One vacancy remains on the Board.

Discussion will continue at the next Governance Committee meeting.

8.2 Slate of Directors

The Committee recommended the addition of Ms. Lili Shain to be presented for approval at the Annual General Meeting.

ACTION: It was duly MOVED, regularly SECONDED and unanimously CARRIED THAT THE BOARDS OF DIRECTORS OF BAYCREST CENTRE FOR GERIATRIC CARE, BAYCREST HOSPITAL, THE JEWISH HOME FOR THE AGED AND THE BAYCREST DAY CARE CENTRE ACCEPTS AND APPROVES THE ADDITION OF LILI SHAIN TO THE SLATE OF DIRECTORS FOR APPROVAL AT THE ANNUAL GENERAL MEETING.

8.3 Honourary Directors

It was recommended that Dr. Anthony R. Melman be appointed as an Honourary Director for his significant efforts in support of Baycrest.

ACTION: It was duly MOVED, regularly SECONDED and unanimously CARRIED THAT THE BOARDS OF DIRECTORS OF BAYCREST CENTRE FOR GERIATRIC CARE, BAYCREST HOSPITAL, THE JEWISH HOME FOR THE AGED AND THE BAYCREST DAY CARE CENTRE ACCEPTS AND APPROVES THAT DR. ANTHONY R. MELMAN BE ADDED TO THE SLATE OF HONOURARY DIRECTORS TO BE SUBMITTED TO THE MEMBERSHIP FOR APPROVAL AT THE ANNUAL GENERAL MEETING.

8.4 By-Law Amendments Related to the Investment Committee

Baycrest Centre has a joint Investment Committee with the Baycrest Foundation. With the creation of subsidiaries and affiliated entities, and the interest of Baycrest Centre in investing in those entities, there is now a need to review the Investment Committee structure and Investment Policy.

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It was recommended that two separate Investment Policies be created – one for the Baycrest Foundation (to be administered by the Investment Committee of the Baycrest Foundation) and one for Baycrest Centre (to be administered by the Finance & Audit Committee of the Board). Those two policies will likely be largely identical save and except for the fact that the Baycrest Centre's Policy will contemplate investments in subsidiaries and affiliated entities. In addition, The Baycrest Centre's By-Laws need to be amended so that the Investment Committee will no longer manage investments on behalf of the Baycrest Centre and instead, such investments will be managed by the Finance & Audit Committee. In addition, the terms of reference of each Committee will need to be amended.

The Committee brought a motion to the Board to approve amendments (Appendix 12 attached to the master of these minutes) to the following Corporate By-Laws in order to eliminate the Investment Committee, which is a Standing Committee of the Board.

ACTION: It was duly **MOVED**, regularly **SECONDED** and unanimously **CARRIED THAT THE BOARDS OF DIRECTORS OF BAYCREST CENTRE FOR GERIATRIC CARE, BAYCREST HOSPITAL, THE JEWISH HOME FOR THE AGED AND THE BAYCREST DAY CARE CENTRE ACCEPT AND APPROVES THE FOLLOWING BY-LAW AMENDMENTS:**

- 1. FOR BAYCREST CENTRE FOR GERIATRIC CARE, BY-LAW NO. 8 – 2013 AMENDING GENERAL BY-LAW NO. 23**
- 2. FOR THE BAYCREST DAY CARE CENTRE, BY-LAW NO. 8 – 2013 AMENDING GENERAL BY-LAW NO. 6**
- 3. FOR THE BAYCREST HOSPITAL, BY-LAW NO. 8 – 2013 AMENDING GENERAL BY-LAW NO. 16**
- 4. FOR THE JEWISH HOME FOR THE AGED, BY-LAW NO. 8 – 2013 AMENDING GENERAL BY-LAW NO. 7**

9. CONSENT AGENDA

Copies of the reports in their entirety are attached to the master of the minutes.

9.1 Report of the Clinical Strategy, Quality & Safety Committee

9.2 Report of the Fiscal Advisory Committee

9.3 Report of the Investment Committee

12. CONCLUSION

There being no further business, the regular meeting adjourned at 6:00pm.

G. Foster
Chairman, Board of Directors