

Open Meeting

BLUEWATER HEALTH BOARD AGENDA

**August 25, 2010
6:00 p.m.
Classrooms – Mitton Site**

Documents: *attached **to be tabled

Board Responsibility

Topic	Board Responsibility						Presenter
	Establish Strategic Direction	Providing for Excellent Management	Ensuring Program Quality & Effectiveness	Ensuring Financial Viability	Ensuring Board Effectiveness	Fostering Relationships	
1. CALL TO ORDER 1.1 Welcome/Opening Remarks 1.2 Approval of Agenda 1.3 Declaration of Conflict of Interest					✓		B. Davies
2. APPROVAL OF MINUTES 2.1 June 23, 2010* 2.2 June 23, 2010- Post AGM*					✓		B. Davies
3. REPORT FROM IN-CAMERA MEETING					✓		B. Davies
4. EDUCATION SESSION (6 times per year) - nil							
5. ITEMS REQUIRING DECISIONS 5.1 2010-11 Meeting Schedule*							B. Davies
6. MONITORING/OVERSIGHT 6.1 H-SAA Budget 2010-11*				✓			S. Thiffeault
6.2 June Financial Statement Forecast*				✓			S. Anema
6.3 Quality Report			✓				S. Denomy
7. ITEMS FOR INFORMATION & ANNOUNCEMENT 7.1 CEO/Management Reports*			✓			✓	S. Denomy
7.2 Board Chair Report			✓			✓	B. Davies
7.3 President of Professional Staff Report			✓			✓	A. Ramirez
7.4 Resource Utilization & Audit Committee Report – August 12, 2010*				✓			S. Thiffeault

Board Responsibility

Topic	Board Responsibility						Presenter
	Establish Strategic Direction	Providing for Excellent Management	Ensuring Program Quality & Effectiveness	Ensuring Financial Viability	Ensuring Board Effectiveness	Fostering Relationships	
8. OPEN FORUM – Opportunity for Directors to reflect on how our patients, families and community were considered in our discussions – Call for future meeting items							All Members
9. NEXT MEETINGS: September 22, 2010							B. Davies
10. ADJOURNMENT							B. Davies

**REGULAR MEETING
BOARD OF BLUEWATER HEALTH
June 23, 2010**

Directors: Bryan Bouck√ Dr. Martin Lees√ Brent Steeves√
 David Campbell√ Don McGugan√ Cindy Thayer√
 Bruce Davies√ Robert McKinley(r) Stéphane Thiffeault√
 Sue Denomy√ Richard Newton-Smith√ Dr. Angela Wang√
 Jim Elliott√ Dr. Alvaro Ramirez√
 Lorri Kerrigan√ Pasquale Rossi√

Staff: Steve Anema√; Kim Bossy√; Connie Courtney√; Mike Lapaine√; Barb O'Neil√

Guests: Sheila Chappell, President, Bluewater Health Foundation√
 Liz Kenny, Director, Bluewater Health Foundation√

1. CALL TO ORDER - 5:49 p.m. (*attached in the minute record book)

1.1 Welcome/Opening Remarks

J. Elliott welcomed everyone to the meeting.

1.2 Approval of Agenda*

Motion moved, seconded and carried: to approve the agenda as presented.

1.3 Declaration of Conflict of Interest

Dr. A. Ramirez declared a conflict of interest for Item 4.1 – Cancer Care Plan. It was noted that A. Ramirez would participate in the discussion of the item but would excuse himself for the deliberations.

2. APPROVAL OF MINUTES (*attached in minute record book)

2.1 *Motion (B. Bouck/R. Newton-Smith) and carried: to approve the minutes of May 26, 2010.*

3. REPORT FROM IN-CAMERA MEETING

J. Elliott reported that the in-camera meeting had included discussions regarding personnel.

4. ITEMS REQUIRING DECISIONS (*attached in the minute record book)

4.1 Cancer Care Plan*

As noted above, A. Ramirez excused himself from the deliberations of this item.

M. Lees presented the Cancer Care Plan (the Plan) for consideration and endorsement. M. Lees provided an overview of the Plan highlighting the background, goals, the approach, wait times and volumes and reviewed the recommendations.

He advised that a decision was made by the Steering Committee to focus on Breast, Colorectal, Thoracic Oncology/Lung, Prostate and Palliative and End of Life Care in order to improve the cancer care services for Lambton County residents and embrace the Cancer Care Ontario (CCO) guidelines.

The Board was advised that the Plan will improve accessibility, continuity of care, shorten wait times, provide care closer to home, enable the hospital to meet CCO standards and guidelines, and that the Plan is in alignment with the strategic priorities.

An inquiry was made regarding thoracic surgery. The Board was advised that the hospital did not meet the CCO standards last year and is, therefore, required to refer patients to Level 1 Centres by

the fall of 2010. M. Lees advised that the hospital is considering issuing a request for proposal to Level 1 Centres to provide the service and ensure time frames are met. The Board was advised that the ESC LHIN will be working with the hospital to make this possible and ensure the best outcomes for the patients.

S. Denomy advised that CCO supports the Plan on the condition that the hospital moves away from thoracic surgery. She advised that it has not yet been determined which Level 1 Centre patients will be referred to and that details are still being worked out with the ESC LHIN, CCO and the LHIN 2. The Board was advised that CCO is withholding funding until a decision is made.

Discussion ensued regarding the November 1st date in Item 2 of the proposed motion. The Board agreed that item 2 of the proposed motion is conditional of the agreement with a Level 1 approved Centre set out in Item 3. The Board inquired if the November 1st was possible for Management to negotiate an agreement with a Level 1 approved Centre.

Concerns were raised regarding the quality of service, wait times and repatriation of patients to Sarnia.

J. Elliott thanked S. Denomy and M. Lees for their work on the Cancer Plan. He expressed his thanks to the subcommittee as well.

Motion (S. Thiffeault/P. Rossi) and carried: to endorse the Bluewater Health Cancer Care Plan and that:

- 1. Bluewater Health cease doing all surgeries covered by Cancer Care Ontario's Thoracic Surgical Oncology Standards as of November 1, 2010, and***
- 2. Management be directed to establish and negotiate an agreement no later than November 1, 2010 with a Level 1 approved Centre for the completion of Thoracic Oncology Surgery.***

5. MONITORING/OVERSIGHT (*attached in minute record book)

5.1 Financial Statement*

S. Anema presented the Statement of Revenues and Expenses for the period ending April 30, 2010. The current statement shows the hospital's year-to-date revenues are \$13,317M and expenses are \$13,597M. He advised that the hospital has an operating deficit of \$280M and that this is an improvement from April 2009 where the deficit was \$366M. S. Anema highlighted lower-than-expected WSIB and room differential revenues and the chronic care co-payment as factors contributing to the deficit.

Motion (B. Steeves/R. Newton-Smith) and carried: to accept the Financial Statement.

5.2 Capital Project/Facilities Planning Report*

M. Lapaine reported that the Capital Project/Facilities Planning Report was similar to the previous month's report. He advised the hospital expects the City of Sarnia to issue the hard Occupancy notice on June 24th. He advised that the Norman site patient moves are on track for July.

Motion (B. Bouck/B. Steeves) and carried: to accept the Capital Project/Facilities Planning Report.

5.3 Balanced Scorecard*

Resource Utilization and Audit Indicator Report*

B. Steeves presented the Resource Utilization and Audit Committee indicators. He reported that the projected year-end column will be completed once the budget has been finalized. He highlighted the improvement in the working capital indicator and advised this indicator will fluctuate as payments are made to EllisDon on the capital building project. He noted that the

majority of the indicators for the incremental volume funding section are tracking green with the exception of colonoscopies and hips and knees. He noted that the efficiency indicators for weighted cases are tracking red and that the hospital is addressing these measures through prospective planning.

Quality Indicator Report*

D. Campbell presented the Quality Committee indicators. He highlighted the indicators tracking in green. He reported that the hand hygiene improvement plan is being revised. He highlighted the medication reconciliation, one patient incident and the alternate level of care indicators. He noted that there was a slight decrease in wait times for general surgery but that there was a significant increase in the cancer surgery indicator and that the MRI and CT indicator wait times continue to be elevated.

Motion (M. Lees/R. Newton-Smith) and carried: to accept the Resource Utilization and Audit and Quality Indicator Reports.

6. POLICY FORMATION (*attached in minute record book)

6.1 Policy 5.40 – Governance and Nominating Committee Terms of Reference*

R. Newton-Smith presented Policy 5.40 – Governance and Nominating Committee Terms of Reference for approval. He advised that the Terms of Reference were revised to include the community engagement strategy and that the Committee will monitor the implementation and effectiveness on a regular basis.

Motion (R. Newton-Smith/P. Rossi) and carried: to approve Policy 5.40 – Governance and Nominating Committee Terms of Reference Ethics.

7. ITEMS FOR DISCUSSION (*attached in minute record book)

7.1 Board Work Plan*

The Board reviewed the Board work plan and no changes were proposed.

Motion (L. Kerrigan/A. Wang) and carried: to approve the Board Work Plan.

8. ITEMS FOR INFORMATION & ANNOUNCEMENT (*attached in minute record book)

The following updates and Committee reports were presented:

8.1 CEO/Management Reports*

8.2 Board Chair Report*

- J. Elliott highlighted the Minister of Health and Long-Term Care's letter dated June 9th regarding the *Excellent Care for All Act*.

8.3 President of Professional Staff Report*

- Dr. Ramirez advised that Dr. Austin resigned as the President of the Professional Staff Association (PSA) and that the PSA held elections on June 16th. He announced that he is the newly elected President, that Dr. Garach is the Vice-President, Sarnia and that a memo was sent out yesterday to the PSA seeking candidates for the Secretary Treasurer position. He noted changes to Bill 46 and Regulation 965 under the *Public Hospitals Act*.

8.4 Medical Advisory Committee Report – June 16*

8.5 Quality Committee Report – June 3*

- D. Campbell reported that the Committee had a presentation on the Surgical Safety Checklist. He noted that the Committee received an update on Releasing Time to Care® and highlighted an article in the Sarnia Observer regarding hand washing.

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- 8.6 Governance and Nominating Committee Report – June 9*
- R. Newton-Smith reminded committees to review and update their work plans for the upcoming year.
- 8.7 Resource Utilization and Audit Committee Report – June 10*
- B. Steeves advised that the Committee reviewed its work plan and identified financial stewardship principles and financial risk management under Item 7 of the Resource Utilization section of the Terms of Reference as two areas that need to be added to the work plan. He advised that the review of banking arrangements of the Corporation was deferred to October when the CKLAG review of banking arrangements is complete. He noted that the Committee will be bringing forth policies for review and approval in the fall.
- 8.8 Foundation Report*
- L. Kenny advised that the food court will be opening in July and that the Foundation has been cataloguing the art work for the Mitton, Norman and Russell sites. She advised that the ceremony for the donor wall has been deferred to mid-July and that donations were up from the previous year. She inquired if any of the Directors might be available to assist with greeting guests at the Open House tours to let her know.
 - An inquiry was made regarding what will happen to the art work that will not be displayed at the new hospital.

Motion (L. Kerrigan/D. Campbell) and carried: to receive the above reports as presented.

9. OPEN FORUM

No issues or concerns were raised.

10. NEXT MEETING

August 25, 2010

11. ADJOURNMENT

J. Elliott acknowledged Dr. Lees and thanked him for his contributions to the Board. On behalf of the Board, he wished him well.

There being no further items for discussion, the meeting adjourned at 7:02 p.m.

Jim Elliott
Chair
Board of Bluewater Health

Sue Denomy
Secretary
Board of Bluewater Health

Jacqueline McGregor
Senior Executive Assistant
Recorder

**REGULAR MEETING
BOARD OF BLUEWATER HEALTH
June 23, 2010**

Directors: Bryan Bouck√ Dr. Martin Lees√ Brent Steeves√
 David Campbell√ Robert McKinley(r) Cindy Thayer√
 Bruce Davies√ Richard Newton-Smith√ Stéphane Thiffeault√
 Sue Denomy√ Wayne Pease√ Dr. Angela Wang√
 Jim Elliott√ Dr. Alvaro Ramirez√
 Lorri Kerrigan√ Pasquale Rossi√

Professional Staff: Dr. Anil Garach √

Staff: Steve Anema√; Kim Bossy√; Connie Courtney√; Mike Lapaine√; Barb O'Neil√

Guests: Sheila Chappell, President, Bluewater Health Foundation√
 Tom Closson, President and CEO, Ontario Hospital Association√
 Amy Ouellete, Public Affairs, Ontario Hospital Association√

1. CALL TO ORDER - 8:10 p.m. (*attached in the minute record book)

1.1 Welcome/Opening Remarks

J. Elliott welcomed everyone to the meeting including Wayne Pease as a newly appointed Director to the Board.

1.2 Approval of Agenda*

Motion (R. Newton-Smith/P. Rossi) and carried: to approve the agenda as presented.

1.3 Declaration of Conflict of Interest

B. Davies declared that his spouse was an employee of the hospital and declared a conflict of interest for Item 2.1 – Motion regarding By-law s. 503(d) and excused himself from the meeting.

2. ITEMS REQUIRING DECISIONS (*attached in minute record book)

2.1 Motion regarding By-law s. 5.03(d)

In accordance with s. 5.03(d) of the Hospital's by-laws approval was sought to approve B. Davies to serve on the Board of Directors.

Motion (B. Bouck/L. Kerrigan) and carried: to allow Bruce Davies to serve on the Board of Bluewater Health.

B. Davies returned to the meeting.

2.2 Election of Officers*

Motion (L. Kerrigan/B. Steeves) and carried: to approve the appointment of the following officers:

***Chair - Bruce Davies
Vice-Chair - David Campbell
Treasurer - Stéphane Thiffeault***

2.3 Establishment of Committees*

The Nominating Committee's report was presented, with the addition of C. Thayer as the representative to the Charlotte Eleanor Englehart.

Motion (L. Kerrigan/B. Steeves) and carried: that the standing Committees be established with the chair and membership of such committees and representatives to other organizations being as set out in the Nominating Committee's report.

2.4 Remarks from Board Chair

Bruce Davies acknowledged the Board and the Board members, noting that they have volunteered much hours of time and effort. He indicated that he is looking forward to serving as Chair and to the challenges ahead.

3. **ADJOURNMENT**

There being no further items for discussion, the meeting adjourned at 8:20 p.m.

Bruce Davies
Chair
Board of Bluewater Health

Sue Denomy
Secretary
Board of Bluewater Health

Jacqueline McGregor
Senior Executive Assistant
Recorder



Life, health and renewal.

PLEASE

MARK

YOUR

CALENDARS



Meetings of the Board of Bluewater Health for 2010-11 will be held on the fourth Wednesday of the month at 5 p.m. in the Classrooms at the Mitton site except as noted with an asterisk.

<u>2010</u>	<u>2011</u>
<ul style="list-style-type: none">• August 25• September 22• October 27• November 24* (Petrolia)• December 22	<ul style="list-style-type: none">• January 26• February 23• March 23• April 27* (Petrolia)• May 25• June 22 & AGM• July - Call of the Chair

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Statement of Revenue and Expense
Forecast surplus/(deficit) as at March 31, 2011
Based upon the three (3) months ended June 30, 2010
(000's)

	2011 YTD Budget	2011 YTD Actual	2011 YTD Variance	2011 YTD % Variance	2011 Annual Budget	2011 Forecast Amount	Projected Variance to Budget	2011 Forecast % Variance	Notes
Revenue	\$								
LHIN Revenue	31,074	31,372	298	1%	127,361	124,810	(2,551)	-2%	1
OHIP Revenue	4,174	4,787	614	15%	17,757	18,794	1,038	6%	2
WSIB Revenue	158	133	(25)	-16%	649	600	(49)	-7%	
Revenue Other Provinces	50	64	14	28%	206	220	14	7%	
Non Residents	29	31	2	8%	116	119	2	2%	
Self Pay	130	90	(40)	-31%	521	481	(40)	-8%	
Room differential	839	736	(104)	-12%	3,613	3,200	(413)	-11%	3
CC Co-payment	329	211	(118)	-36%	1,330	1,180	(150)	-11%	4
Recoveries	773	1,159	386	50%	3,097	3,483	386	12%	5
Parking Revenue	152	174	22	15%	609	525	(84)	-14%	
Other Revenue	8	10	1	18%	154	155	1	1%	
Deferred Equipment Grants	514	421	(93)	-18%	2,056	2,056	-	0%	
Interest and Donations	24	11	(12)	-52%	95	95	-	0%	
Administered Programs	898	881	(17)	-2%	3,645	3,645	-	0%	
Total Revenue	\$ 39,152	40,080	928	2%	161,209	159,364	-1,845	-1%	
Expenses	\$								
Salaries and Wages	19,734	19,834	(100)	-1%	80,292	80,392	(100)	0%	6
Medical Staff Remuneration	4,170	4,646	(476)	-11%	17,624	18,000	(376)	-2%	7
Employee Benefits	5,801	6,035	(234)	-4%	22,408	23,145	(737)	-3%	8
Supplies and Expenses	5,228	5,327	(99)	-2%	20,902	21,000	(99)	0%	5
Medical/Surgical Supplies	1,631	1,915	(284)	-17%	6,582	6,800	(218)	-3%	9
Drug Expense	1,190	1,346	(156)	-13%	4,828	5,250	(422)	-9%	10
Interest Expense	50	46	3	7%	199	190	9	5%	
Amortization	1,157	1,107	50	4%	4,626	4,626	-	0%	
Administered Programs	903	932	(29)	-3%	3,645	3,875	(230)	-6%	11
Total Expenses	\$ 39,864	41,187	(1,324)	-3%	161,107	163,279	(2,172)	-1%	
LHIN Operating Surplus/(Deficit)	\$ (712)	(1,107)	(395)	n/a	102	(3,915)	(4,016)	n/a	
Deferred Building Grants	251	218	(32)	-13%	1,002	1,002	-	0%	
Building Amortization	630	657	(27)	-4%	2,521	2,521	-	0%	
Hospital Surplus/(Deficit)	\$ (1,092)	(1,546)	(454)	n/a	(1,417)	(5,433)	(4,016)	n/a	

Balance Sheet
As at June 30, 2010
Comparison to June 30, 2009
(000's)

	<u>2010/11</u>	<u>2009/10</u>	<u>%</u>
	<u>Actual</u>	<u>Actual</u>	<u>Change</u>
	<u>Jun-10</u>	<u>Jun-09</u>	
Assets			
<u>Current Assets</u>			
Operating Cash	\$ 152	(5,972)	103%
Superbuild Cash	7,594	4,204	-81%
Superbuild Fund	16,385	41,059	60%
Investments - CEE Site	1,775	1,876	5%
Accounts Receivable	11,339	4,808	-136%
Accounts Receivable - MOHLTC	1,166	1,110	-5%
Inventories	1,068	1,251	15%
Prepaid Expenses	648	1,491	57%
Total Current Assets	<u>40,126</u>	<u>49,827</u>	<u>-19%</u>
<u>Fixed Assets</u>			
Land and Land Improvements	5,521	5,650	
Building/Building services Equipment	72,519	72,178	
Furniture and Equipment	88,708	81,996	
Less: Accumulated Amortization	(109,943)	(103,717)	1%
Construction in Progress	219,548	145,677	51%
Other Non Current Assets	338	332	2%
Total Fixed Assets	<u>276,690</u>	<u>202,116</u>	<u>37%</u>
Total Assets	\$ <u>316,816</u>	<u>251,943</u>	<u>26%</u>
<u>Current Liabilities</u>			
Bank Loans Payable	\$ 3,720	1,939	92%
Accounts Payable	3,513	4,556	-23%
Accounts Payable - MOHLTC	8,409	7,875	7%
Accrued Salaries & Vacation Pay	5,656	5,285	7%
Other Liabilities	5,836	4,853	20%
Total Current Liabilities	<u>27,134</u>	<u>24,509</u>	<u>11%</u>
<u>Long Term Liabilities</u>			
Long Term Debt	16,822	115,142	-85%
Deferred Revenue	256,769	96,313	167%
Other L/T Liabilities	6,341	5,016	26%
Total Long Term Liabilities	<u>279,933</u>	<u>216,471</u>	<u>29%</u>
<u>Equity</u>			
Opening Equity	11,295	12,521	
R&E Surplus/(Deficit)	<u>(1,546)</u>	<u>(1,557)</u>	
Total equity	<u>9,750</u>	<u>10,964</u>	<u>-11%</u>
Total Liabilities and Equity	\$ <u>316,816</u>	<u>251,943</u>	<u>26%</u>

Hospital Accountability Agreement Indicators:

Negotiated Target

Current Ratio	0.53	0.11	0.8 - 2.0
Working Capital	(12,761)	(21,820)	

Note: Current ratio excludes Superbuild Cash, Superbuild Investments and CEE Site Investments

Notes to Financial Statements
June 30, 2010 Actual and Full Year Forecast

An overall deficit of \$3.9 M is forecasted for the 2010/11 year end. The majority of this deficit relates to "unavoidable" costs associated with the new building (approx. \$2.7M) for which we must forecast the expenses but have not received notice from the Ministry that they will provide the offsetting funding.

Note 1 Ministry funding is forecasted to come in underbudget by \$2.5M. This underage is a result of the \$2.7M unavoidable costs related to the move to the new building less the unbudgeted additional funding for ALC and Aging at Home Expansion. The budget and forecast have been reduced by \$440K of Palliative Care funding that will be taken back by the Ministry of Health during the year. Offsetting this reduction, is additional budget and forecast of \$500K for the Emergency department's Pay For Results program.

Note 2 OHIP Revenue is expected to come in over budget for the year. This is mainly due to the technical component of the OHIP revenue and the reimbursement for Oncology drugs.

Note 3 Room Differential revenue is forecasted to come in below budget. There has been a continued decline in this revenue over the past couple of years. The decline is a result of a greater need to isolate patients and fewer patients requesting preferred accommodation.

Note 4 Co-payment revenue is forecasted to come in below budget for the year. Bluewater Health has been recognized by the Erie St. Clair LHIN for the good work done to reduce our number of ALC patients. A large portion of our Co-payment revenue is generated from these ALC patients. As fewer ALC patients are occupying our beds, there is less Co-payment revenue generated.

Note 5 Recoveries are forecasted to come in better than budget for the year. This is mainly due to offsetting funding recognized year-to-date for minor equipment purchases related to the new building. The offsetting expense is recorded in supplies (which without the added minor equipment, would be forecasting to come in under budget).

Note 6 Salaries and Wages are expected to come in over budget for the year. Included in the budget are additional staffing costs related to the new building (ie. Added security, etc.). As of the end of June, salaries were over budget by \$100K. The added costs related to the new building will not be incurred until July and onward.

Note 7 Med Staff Remuneration is forecasted to come in over budget for the year. This is a result of an added one-time adjustment for the Sarnia ER AFA and additional start-up payments for the new Intensivist.

Note 8 Employee benefits are expected to come in over budget for the year. The main contributor to this is the amount of In Leiu (ytd over by \$122K). As additional part-time staff are brought in, this amount increases.

Note 9 Med/Surg Supplies are expected to come in over budget by \$218K for the year. The forecast is still lower than last year actual volumes of supplies which ended up being \$6,810 K.

Note 10 Drug Expenses are expected to come in over budget by \$422K for the year. The model of care has changed for Critical Care by bringing in an Intensivist. This change is a major contributor to the anticipated overage (ytd Critical Care and Medicine drugs are over by \$57K).

Note 11 Administered Programs are forecasted to be in a deficit position at year end of approx. \$230K. This deficit is predominately Crisis Intervention (which is an under funded program) and the PACT program. The forecasted deficit is similar to prior year actual deficit.



Minutes/ Report

Resource Utilization and Audit Committee

Thursday, August 12, 2010
3:30 p.m.
Classroom A – Mitton Site

Members: (Attendance indicated with a ✓)

Board Members: Stéphane Thiffault (Chair) ✓; Sue Denomy ✓; Bryan Bouck (r); Robert McKinley ✓; Wayne Pease ✓; Pasquale Rossi (r) Brent Steeves ✓; Cindy Thayer (r); Dr. Michel Haddad (r); Dr. Brian Hynes ✓
Non-Director Committee Members: Kathryn Poole (r); Terry McNally ✓
Staff: Steve Anema (r); Colleen Cook (r); Tracy Gazarek(r); Mike Lapaine ✓

1.0 Call to Order - 3:30 p.m.

2.0 Chairman's Remarks

- S. Thiffault welcomed new members Terry McNally and Dr. Brian Hynes to the meeting.

3.0 Approval of the Agenda

- *Motion (B. Steeves/B. Bouck/) and carried: to approve the agenda as presented.*

4.0 Call for the Declaration of Conflict of Interest

- None declared.

5.0 Approval of the Minutes

- *Motion (B. Steeves/R. McKinley) and carried: to approve the Minutes of June 10, 2010 as presented.*
B. Steeves inquired whether action items outlined in the June 10th meeting re goals and policies will be brought forward to the September meeting.
B. Hynes inquired as to hospital wait cases components.

6.0 Follow-Up from Previous Minutes

- None Reported.

7.0 Work Plan Reports/Minutes (*attached in minute record book)

7.1 H-SAA Budget 2010-11

M. Lapaine presented the draft 2010-11 operating budget which included five iterations: Base Budget, PCOP Fixed Budget, Trailing Costs, Transition Costs and PCOP Incremental Grown Budget..

M. Lapaine reported that the ESC LHIN expects the Board to approve and submit a balanced budget for 2010-11 by September 17, 2010, in order to make presentation to the ESC LHIN Board at the end of September. M.. Lapaine reported that development of the internal hospital budget has been complicated, due to the absence of any ministry announcement of PCOP funding of the unavoidable increased costs associated with the occupancy to the new building. In addition, while the PCOP contains a large element that is discretionary, the trailing costs (i.e. utilities, cleaning, and security for the Mitton and Essex buildings during renovation to the Russell Building) are real costs that are unavoidable.

M. Lapaine further reported that costs associated with orienting, training, testing of equipment and overall preparation to occupy the new building have already occurred. This deficit is a direct result of not receiving confirmation of funding from the ministry to support these hard costs association with occupancy of the new hospital.

With regard to the PCOP Growth budget 2010-11, M. Lapaine reported that the ministry has stated that the hospital should not expand services until specific instruction is received from them. Projected increases for expanded services is \$6.4M. The major risk associated with this delay in growth is more public image than financial at this point. The residents of Sarnia-Lambton have contributed significantly for an expanded hospital facility and expect an increase in services.

M. Lapaine noted that the dilemma faced by the hospital is that, given the completion of Phase 1 of our redevelopment project and occupation of our new building, certain program growth pressures and the costs associated with maintaining the Mitton and Essex buildings, we can expect a 2010-11 budget deficit of approximately \$6 M.

Discussion ensued on the risks and probable outcomes of these risks in not submitting a balanced budget.

Motion (B. Steeves/W. Pease) and carried: to recommend the 2010-11 Budget with a \$6 M deficit to the Board for approval. In addition, the \$6.4M incremental funding should also be noted in the budget. Carried

7.2 June Financial Statements/Forecast

M. Lapaine reported that the projected Room Differential revenue is forecasted to come in below budget. This decline is as a result of fewer patients requesting preferring accommodations. This is expected to increase with more room flexibility in the new building and the hiring of a staff member to monitor patient admissions.

M. Lapaine further reported that the medical/surgical supplies are expected to come in over budget due to the stocking of new carts as part of the new PROcure requisitioning system. It is anticipated that this will come back into line when the carts are replenished from supplies left at the Mitton site.

B. Hynes inquired as to whether or not there is a plan in place to hire staff once funding is approved by the Ministry. Recruitment can be somewhat of a lengthy process. The Board has approved Physician Human Resource Plan, which has been incorporated in the budget planning process.

8.0 Next Meeting Date

Meeting Calendar 2010/11 – S. Thiffeault noted concern that a community member has resigned due to the start time of the meetings. No further objections to the dates of the meetings were noted.

9.0 Adjournment

The meeting adjourned at 4:30 p.m.

Chair

Stephane Thiffeault

Recorder

Chris Logier

DRAFT