

Minutes of The Hospital for Sick Children Board of Trustees' Meeting held on Thursday, June 18, 2015 at 4:00 p.m. at The Hospital for Sick Children, Toronto, Ontario.

Present:

Ms. R. Patten, Chair
Mr. S. Marwah, Vice-Chair
Dr. M. Apkon
Ms. P. Hubley
Mr. A. Khanna
Dr. P. Laussen
Mr. L. Scott*
Mr. D. McKay
Mr. D. Guloien
Mr. S. Rafi
Ms. S. Younker, Corp. Secretary

Present:

Mr. I. Rotenberg
Ms. C. Reicin
Mr. R. Prichard
Dr. T. Sullivan
Mr. R. Weese
Mr. S. Smith
Ms. K. Taylor
Mr. B. Simpson
Mr. T. Penner
Ms. C. Duboc

Regrets:

Ms. K. Delaney
Mr. A. Sheiner
Dr. J. Robertson

By Invitation:

Dr. D. Daneman
Ms. L. Harrison
Ms. S. O'Dowd
Ms. M. Evans
Mr. J. Mainland
Dr. J. Rossant

By Invitation:

Mr. T. Garrard
Dr. J. Kronick
Dr. L. Huang
Dr. S. Zlotkin
Ms. M. Monk

Regrets:

Dr. C. Caldarone

** attended via telephone*

Ms. Sharon Younker, Corporate Secretary, confirmed that notice of the meeting had been duly sent to all Trustees and that a quorum was present in person or by phone, all in accordance with the Hospital's by-laws. Accordingly, Ms. Rose Patten, Chair of the Board, declared that the meeting was properly constituted and called the meeting to order.

CHAIRS REMARKS

Ms. Patten welcomed members to the meeting and reviewed the agenda for today's regular and annual meeting.

Ms. Patten acknowledged the retirement of Dr. Janet Rossant, Chief of Research and Dr. Jonathan Kronick, Chief of Education. Ms. Patten thanked Dr. Rossant and Dr. Kronick for their leadership and commitment to SickKids.

RESEARCH INSTITUTE PRESENTATION

Dr. Janet Rossant presented the historical and present state of the Research Institute (RI). She highlighted the impact of the Peter Gilgan Centre for Research and Learning (PGCRL) on the mission of the RI and presented examples of how the cross-disciplinary interactions made possible by the PGCRL are driving research innovation.

Dr. Rossant reported on the RI achievements over the past 10 years under her leadership and outlined the challenges and opportunities ahead.

Discussion ensued regarding the stability of research funding through Canadian Institutes of Health Research (CIHR).

Trustees congratulated and thanked Dr. Rossant for her exemplary leadership of the RI over the past 10 years.

CONSENT AGENDA

Ms. Patten referred Trustees to the consent agenda items. No questions were raised.

MOTION:

NOW THEREFORE, UPON MOTION duly made, seconded and unanimously carried, IT WAS RESOLVED:

THAT the minutes of the Board of Trustees meeting held on May 21, 2015 be approved, and;

THAT the Medical and Scientific Appointments for May 2015 be approved.

EXECUTIVE REPORT

Dr. Apkon presented his executive report and updated Trustees on events and activities since the last Board meeting.

Project Horizon

Dr. Apkon introduced Project Horizon: The Need for Infrastructure Renewal. He outlined the work that has been done to date and reported that the Part B Capital proposal submission is due to the Ministry on September 16th, 2015. The consultants have presented management with a range of options involving several phased approaches. Management has identified a preferred option that will be presented today.

Mr. Jeff Mainland presented the infrastructure issues that Project Horizon will address: aging infrastructure; need for appropriate high acuity inpatient space; and ambulatory care. Mr. Mainland presented the future building option under consideration, outlining why the option meets the needs of the organization. The projected cost summary and cost benchmarking against similar projects were presented. The projected timeline and milestones to complete the entire infrastructure renewal project span over an 11-year period.

Discussion ensued regarding the proposed building options, options for decanting and the projected cost of the project. Trustees requested that management hold a follow-up meeting to allow Trustees the opportunity to discuss Project Horizon prior to the September submission of the plan to the Ministry.

MEDICAL ADVISORY COMMITTEE REPORT

Dr. Peter Laussen, Chair of the Medical Advisory Committee (MAC), referred Trustees to the written reports and confirmed that there were no questions or inquiries. Dr. Laussen reported on the new procedural sedation implementation and highlighted the challenges with implementation in the future. The MAC supported the initiative and the model. There was an update on the Caring Safely program. It was noted that the MAC needs to lead the initiatives across the organization and be intricately involved as quality and safety initiatives are unified across the hospital.

COMMITTEE REPORTS

Finance & Audit Committee (F&A)

Mr. Tim Penner on behalf of Mr. Larry Scott, Chair, F&A, reported on the meeting held on June 9, 2015. He highlighted several topics discussed by the Committee. The external audit report for the 2014/15

Financial Statements was presented with no issues identified. Management gave an update on the treatment of restricted assets. The Pension Plan statements were reviewed and are being recommended for approval by the Board of Trustees as well as the Board Delegation of Authority, the BPS Accountability Reporting Attestation, and the Foundation Funding Priorities and Core Funding agreement. The F&A Committee was presented a progress report on Project Horizon. There were updates on Boomerang Health and on the continuing discussion with a potential partner in the mental health space.

MOTIONS:

NOW THEREFORE, UPON MOTION duly made, seconded and unanimously carried, IT WAS RESOLVED:

THAT the audited Financial Statements of the Hospital for year ending March 31, 2015 be approved;

and

THAT the transfer of Internally Restricted Net Assets as presented in the Financial Statements for year ending March 31, 2015 be approved;

and

THAT the audited Financial Statements of the Employee Pension Plan for year ending March 31, 2015 be approved;

and

THAT the final form of the CEO Broader Public Sector Accountability attestation be approved;

and

THAT the Fifth Amendment to the Core Funding Agreement and the 2014/15 Priority Funding Grant Agreement be approved.

Board Quality Committee (BQC)

Dr. Terry Sullivan, Chair, BQC, reported on the meeting held on June 11, 2015. Dr. Sullivan reported that the semi-annual report on Critical Incidents as required by legislation was presented. There was an overview on one new incident including the review that was conducted and subsequent recommendations.

Patient Centredness was presented to the Committee. There were a number of opportunities for understanding patients and their experiences, which included: broad-scale patient experience assessment; patient engagement after harm; patient engagement in the hospital decision-making, and patient partnership for their individual care. Concerns and risks of engaging patients and families, for hospitals and health care professionals, were presented followed by the keys to success.

The BQC discussed the value of having a family advisor join the BQC in order to provide insight from the patient and family perspective. The BQC recommended that a rigorous process be used in order to ensure appropriate individuals suited to this role are identified. Candidates, who have significant family and patient experience, will be required to undergo a formal privacy orientation, maintain confidentiality and have the ability to manage sensitive information. Management will bring forward names and biographies of potential suitable candidates during the summer for the Committee's consideration.

Investment & Pension Committee (I&P)

In the absence of Ms. Kiki Delaney, Chair, I&P, Mr. Irwin Rotenberg (Vice Chair, I&P, SickKids Foundation) gave a brief report on the Investments discussed at the I&P meeting held on June 15, 2015. He reviewed the Pension Fund, Investment Fund and Trust Fund.

Mr. Rotenberg pointed out the Pension Fund ended the year March 31, 2015, at \$1.529 billion having risen approximately \$200 million or 15.5% for the past 12 months and long term 11.2% of 1 percentile (ahead of 99% of peer group). These results were in keeping with the long term objectives of preserving and growing capital 4 - 5% above inflation.

Mr. Rotenberg also updated the Board that in an attempt to protect the pension fund against the threat of deflation that would adversely affect returns, the Committee has begun to purchase deflation swaps. These are 10 year instruments that are tied to the European inflation index and will act as insurance if interest rates fall in response to deflation.

Governance & Nominating Committee (GNC)

Mr. Stuart Smith, Chair, GNC, reported on the meeting that took place on May 28th. He referred members to the written report and highlighted several items.

Mr. Smith reported that the Board Effectiveness survey has been issued to all Trustees at the beginning of June. The GNC would like to achieve 100% participation and asked that Trustees please make time to complete the survey. The GNC also endorsed the Committee's Annual Report to the Board of Trustees which outlines the Committee's work and achievement of its 2014/15 Goals and Objectives.

Appointment of New Trustees

GNC has been successful in filling the two vacancies on the Board and is bringing forward two candidates for approval and appointment in the Annual Meeting consent agenda.

Irwin Rotenberg stepped out of the Board Room.

Irwin Rotenberg is being recommended for appointment to the Board. Mr. Rotenberg sat as a cross-appointed member from the Foundation this past year. Mr. Rotenberg brings extensive investment industry experience to the Board.

The GNC focused its recruitment efforts on candidates with technology and information management knowledge and experience and was successful in identifying Joseph Natale, President and CEO from TELUS.

Discussion ensued and the GNC members were congratulated on the successful recruitment of these two individuals.

Mr. Rotenberg was invited back into the room.

Board Policies

The GNC reviews the Board Policies every three years to ensure they are reflective of current best practice governance and compliant with legislation. The GNC identified and is recommending for approval revisions to several policies.

MOTION:

NOW THEREFORE, UPON MOTION duly made, seconded and unanimously carried, IT WAS RESOLVED:

THAT the revised Board of Trustee Policies & Guidelines be approved, as attached.

Mr. Smith reviewed for Trustees the remaining annual governance items being brought forward by the GNC for approval.

Human Resource Committee (HRC)

Mr. Dave McKay, Chair, HRC, reported on the meeting that took place on June 8, 2015. The HRC received an update on the Q4 Scorecard, Absenteeism and Turnover reporting and HR strategic priorities. An update was provided on SickKids compliance with legislative requirements as well as the semi-annual update on the Enterprise Risk Management high exposure risks reportable to the HRC.

The 2015 non-executive salary increases and the executive compensation were presented and approved. The HRC discussed the organizational performance results for 2014/15 and recognized that even though the organization achieved a "Fully Competent" rating the organization has made significant achievements and created momentum through management's focused efforts over the year.

The HRC reviewed the 2015/16 Organizational Goals and Objectives and made revisions to the Capital Dollars Spent objective and is recommending them for approval.

MOTION:

NOW THEREFORE, UPON MOTION duly made, seconded and unanimously carried, IT WAS RESOLVED:

THAT the 2015/16 Organizational Objectives be approved, as circulated;

and

THAT the 2015/16 CEO Objectives be approved, as circulated.

ADJOURNMENT

There being no further business for discussion, the meeting was adjourned.

Rose M. Patten, Chair of the Board

Sharon Younker, Corporate Secretary