

**DRAFT MINUTES**  
**FINANCE COMMITTEE MEETING**  
**Monday, September 24, 2007**  
**2:30 to 4:30 p.m.**  
**Central East Local Health Integration Network**  
**314 Harwood Avenue South, Suite 204A**  
**Ajax, Ontario**

**Directors Present:** William Gleed (Chair, Finance Committee)  
Ronald Francis  
Stephen Kylie  
Foster Loucks (ex-officio)

**Regrets:** Joseline Sikorski

**Staff Present:** Nizar Ladak (ex-officio)  
James Meloche (ex-officio)  
Janet Boland  
Ritva Gallant  
Sandi Kendal (recording secretary)

Mr. Gleed, Chair of the Finance Committee, Chaired the meeting.

**1.0 MEETING CALLED TO ORDER**

Mr. Gleed called the meeting to order at 2:35 p.m., having determined that a majority of committee members were present to constitute a quorum.

**2.0 MINUTES**

Mr. Gleed invited comments from the Committee with respect to errors or omissions concerning the minutes of the Joint Finance & Audit Committee meeting held July 17, 2007.

Mr. Francis asked for an update on the following items in the July 17, 2007 minutes:

Direct Deposits for Director Expenses: the heading in the minutes will be changed to **Direct Deposits for Director Per Diems** to clarify that the direct deposit currently uses

the direct deposit payroll system therefore is only currently possible for the per diems and not for expense reimbursement.

Performance Monitoring Framework: Mr. Ladak explained that a performance monitoring framework being collectively designed across the 14 LHINs will now be presented to the Board at the **December** meeting.

Business Operations Manual: Ms. Boland explained that she has only received two recommended changes to the Business Operations Manual. Being of a grammatical nature only, these changes have been inputted without Audit Committee review.

Future Meeting Schedule: Mr. Loucks asked to defer the question about the change from the previously discussed monthly finance committee schedule to agenda item 3.0: Business Arising, Governance budget assumptions.

**MOTION:** Made by Mr. Stephen Kylie that the Joint Finance & Audit Committee Minutes of July 17, 2007 be accepted with the noted corrections.

**SECONDED:** Mr. Ron Francis.

**MOTION CARRIED**

### **3.0 BUSINESS ARISING**

#### Central East LHIN Governance Budget

Mr. Loucks reported back to the Finance Committee on the meeting held at the request of the Finance Committee with Mr. Ladak and Ms. Kendal to review and identify operational efficiencies in the Governance Budget. Mr. Loucks directed the Committee to the previously circulated presentation, "Developing the Central East LHIN Governance Budget 2007-08," which details the assumptions used to develop the Governance budget. These assumptions were presented in high-level to the Board on August 10, 2007, and reflect both fiscal responsibility and the flexibility required for the Board to conduct its business. Mr. Ladak reminded the Board of their approved Per Diem policy and provided examples of how efficiencies could be achieved when the Board complies with per diem charges related to education.

Further efficiencies identified by the Committee will be implemented where applicable.

#### **4.0 LHIN OFFICE Q1 VARIANCE REPORT**

Mr. Ladak presented the previously circulated LHIN Office Variance Report for April 1- July 31, 2007. The Report indicates that the LHIN is forecasting to balance for the end of the fiscal year. The template used for the report will be adopted for future quarterly reports to the Finance Committee. For each Program area, the Report outlines the following four items: 1. fiscal allocation; 2. approved budget; 3. actual YTD expenditures; and 4. Variance between the approved and actual expenditures.

**MOTION:** Made by Mr. Stephen Kylie to accept the Q1 variance report, subject to the approval of the Board.

**SECONDED:** Mr. Ron Francis.

**MOTION CARRIED**

#### **5.0 OVERVIEW OF THE 2008-2010 HAPS NEGOTIATION PROCESS**

Mr. Ladak directed the Committee to a previously circulated presentation on the HAPS-HAA 2008-2010 Process. Mr. Ladak explained that the Hospital Annual Planning Submission (HAPS) requires each hospital to describe their service plans, forecasted operational expenditures, and alignment to LHIN priorities.

Hospitals have been encouraged to work with the Collaboratives to identify opportunities for integration. On October 17, 2007, the LHIN will be hosting a HAPS consultation day for Hospital, CCAC, and LHIN clinical and executive leadership to collectively identify and review short- and long-term solutions to shared operational and financial pressures.

The Finance Committee expressed support for the HAPS Planning Day and requested further opportunities for education on the HAPS-HAA process. Mr. Ladak reported that an educational session is being coordinated centrally for the 14 LHINs.

## **6.0 SPECIAL PROJECT FUNDING FOR FY 2007-2008**

Mr. Meloche circulated a presentation summarizing the criteria and parameters for the allocation of four funding opportunities to address LHIN priorities this fiscal year: LHIN Priorities Fund; Hospital Growth Funding; Addictions; and Aging at Home.

The CE LHIN plans to leverage these new funds as an opportunity for system change and improvement, and will ensure that funded projects are aligned to actions identified in the Integrated Health Service Plan and the Annual Service Plan. For each proposed project, a Priority Project team has been established from the Collaboratives, task groups, and network membership with the role of developing a project charter to define the project's rationale, scope, and required resources. Project will be presented to the Board at the October and December meetings for information and/or Board approval (depending on the nature of the project and the required resources.) Spending plans will be submitted to the Finance Committee upon receiving approval from the Board, and/or through regular status reports. As a complement to these projects, The LHIN will continue to pursue long-term funding needs and service changes through the Annual Service Plan process, e.g., for the development of a CE LHIN Stroke Strategy.

The Committee supported the process proposed by Mr. Meloche to allocate the priorities funding to special projects through a systems approach and applauded the new funding opportunities made available this fiscal year. Mr. Gleed requested that project proposals be presented using the decision-making framework adopted by the Board on August 10, 2007.

## **7.0 REVIEW AND APPROVAL – LHIN LIABILITY INSURANCE**

Mr. Gleed brought forward the issue referred to the Committee by the Board on August 10, 2007, to consider the Directors Errors and Omissions liability insurance coverage for the Directors and Officers of the LHIN. Mr. Gleed reported that all LHINs currently have a \$10 million liability insurance policy. Mr. Gleed explained that an additional \$5 Million coverage could be purchased for additional premium of \$3500, or \$5000 for an additional \$10 million in liability coverage. In his view, the Liability needs of the LHIN are anticipated to be larger than the current policy provides and he recommended to the finance committee that we consider this additional coverage.

**MOTION:** Made by Mr. Stephen Kylie to recommend to the Board an increase of \$10 million in liability insurance for an additional premium of \$5000/year.

**SECONDED:** Mr. Ron Francis

**MOTION CARRIED**

## **8.0 CE LHIN HOSPITAL FINANCIAL REPORTS (Q1)**

Ms. Gallant circulated a summary of the variance reports of CE LHIN hospital expenditures from April 1 to July 31, 2007. Hospitals are not required to report their Q1 financial reports thus the information being presented is a summary of financial statements collected from the hospitals by Ms. Gallant (Team Lead, Finance) and Ms. Ouellette (Financial Analyst).

Four of the hospitals are projecting significant annual deficits, for an anticipated \$16 million deficit across the hospital sector at the end of the Fiscal Year. Ms. Gallant explained that a working group of the LHINs is investigating how to collectively address the anticipated acute care deficits being projected across several LHINs. Mr. Ladak remarked that this issue will also be discussed at the HAPS Planning Day on October 17 as a shared hospital pressure.

Mr. Gleed thanked Ms. Gallant for her presentation and expressed the need for the LHIN and Finance Committee Chairs to be involved in discussions with the hospital CFOs to communicate that the LHIN will not fund hospital deficits going forward.

## **9.0 ROUGE VALLEY HEALTH SYSTEM FINANCIAL PROFILE**

Ms. Gallant circulated a presentation on the Rouge Valley Health System financial profile using the LHIN Financial Monitoring Tools template. Ms. Gallant reminded the Committee that the data are three to four years old, but are useful to project trends.

Mr. Gleed thanked Ms. Gallant for the presentation and analysis. The Committee requested that the next Committee meeting feature a financial profile of the Peterborough Regional Health Centre, noting that this information is useful for the Committee to understand at a high-level the LHIN-wide trends, risks and variances.

**10.0 NEXT MEETING DATE: November 27, 2007**

**11.0 ADJOURNMENT**

**MOTION:** Made by Mr. Francis that the meeting be adjourned.

Mr. Gleed declared the meeting adjourned at 5:24 p.m.

**ADJOURNMENT**