

SUMMARY OF THE DECISIONS OF THE OFFICIAL ADMINISTRATOR

The Finance Committee, which is a governance advisory committee of the Official Administrator of Alberta Health Services (“AHS”) (the “**Official Administrator**”), met on August 19, 2015 to discuss key issues regarding the below items.

If you have any questions regarding this information, please contact official.administrator@albertahealthservices.ca.

Below is an account of the resolutions approved by the Official Administrator following those meetings.

ITEMS OF APPROVAL

Finance Committee

1. **[FC15-56] June 30, 2015 First Quarter Investment Report**
2. **[FC15-57] Energy Savings Contractor (ESCO) Pilot Project and Borrowing Request**
3. **[FC15-58] Approval Requested for the Laboratory Physician Agreement April 1, 2014 to March 31, 2018**

1. **[FC15-56] June 30, 2015 First Quarter Investment Report**

WHEREAS this Resolution is enacted pursuant to Section 11(2)(a) of the *Regional Health Authorities Act* (Alberta) and the Order of the Minister of Health of Alberta effective July 1, 2015, appointing Dr. Carl Amrhein as the Official Administrator of AHS (the “**Official Administrator**”)

AND WHEREAS pursuant to Section 2.3(1) of the *Regional Health Authorities Regulation* (Alberta), each investment decision of the regional health authority must be approved or ratified by resolution;

AND WHEREAS the investment strategy involving additional pooled mortgage funds and global equity funds is to be approved;

NOW THEREFORE BE IT RESOLVED THAT:

1. the investment portfolio described below, along with the investment decisions corresponding with such portfolio, which were reviewed by the Official Administrator, and which were certified by signed investment compliance certificates from AHS and Phillips, Hager & North Investment Management Ltd. (“**PH&N**”) are hereby ratified as follows:
 - (a) as at June 30, 2015, AHS held restricted and unrestricted funds managed by PH&N and Standard Life Canada totaling \$1.520 billion (the “**Funds**”);
 - (b) the Funds were invested in short term treasury bills, federal, provincial and corporate fixed income bonds, pooled mortgage funds, bond funds and equity funds; and
 - (c) all of the Funds invested during the quarter ended June 30, 2015, were invested in accordance with the Investment Bylaw and Investments Policy.

2. [FC15-57] Energy Savings Contractor (ESCo) Pilot Project and Borrowing Request

WHEREAS this Resolution is enacted pursuant to Section 11(2)(a) of the *Regional Health Authorities Act* (Alberta) and the Order of the Minister of Health of Alberta (the “**Minister**”) effective July 1, 2015 appointing Dr. Carl Amrhein as the Official Administrator of AHS (the “**Official Administrator**”);

AND WHEREAS it is proposed that AHS initiate energy savings projects at the Royal Alexandra Hospital and the Alberta Hospital with the goal to reduce overall energy and utilities costs and greenhouse gas emissions;

AND WHEREAS AHS has estimated that up to \$23.5 million is required to finance the cost of the energy savings project so contemplated plus a 10% construction contingency allowance of up to \$2.3 million, for a total estimate of costs of up to \$25.8 million;

AND WHEREAS AHS considers it necessary to borrow and intends to borrow the costs of this project in the amount of up to \$25.8 million from Alberta Capital Finance Authority (“**ACFA**”);

AND WHEREAS pursuant to subsection 2.1(1) of the *Regional Health Authorities Regulation*, each transaction of a regional health authority relating to debt, guarantees, indemnities or capital leasing must be approved by resolution in advance of the transaction;

NOW THEREFORE BE IT RESOLVED THAT:

1. the borrowing of up to \$23.5 million for project costs plus a 10% construction contingency allowance of up to \$2.3 million for a total borrowing of up to \$25.8 million to complete the scope of energy savings work at Royal Alexandra Hospital and Alberta Hospital is hereby approved;
2. the AHS President and CEO, is authorized, subject to approval from the Minister to:
 - i) borrow up to \$25.8 million from ACFA to fund the costs associated with the energy savings projects at Royal Alexandra Hospital and Alberta Hospital;
 - ii) pledge as security for such borrowing a mortgage on the Royal Alexandra Hospital and Alberta Hospital for a total amount of up to \$25.8 million;
 - iii) repay ACFA over 13 years using the savings derived from the energy savings project;
 - iv) where interest cost can be reduced in the short term, enter into a short term bridge/construction financing facility with Royal Bank of Canada (RBC) secured by proceeds from ACFA; and
 - v) execute all such other documentation as may be required to put into effect all of the foregoing; and
3. management of AHS is authorized and directed to obtain such approval from the Minister as may be required to put into effect the items above.

3. [FC15-58] Approval Requested for the Laboratory Physician Agreement April 1, 2014 to March 31, 2018

WHEREAS this Resolution is enacted pursuant to Section 11(2)(a) of the *Regional Health Authorities Act* (Alberta) and the Order of the Minister of Health of Alberta effective July 1, 2015, appointing Dr. Carl Amrhein as the Official Administrator of AHS (the “**Official Administrator**”)

AND WHEREAS AHS has negotiated a new master agreement to compensate laboratory physicians with the Alberta Medical Association and Alberta Society of Laboratory Physicians;

AND WHEREAS the Official Administrator shall approve such agreement and delegate signing authority to the President and Chief Executive Officer of AHS (the “CEO”);

NOW THEREFORE BE IT RESOLVED THAT:

1. the Laboratory Physician Agreement April 1, 2014 to March 31, 2018 (the “Agreement”) in the form reviewed by the Official Administrator is hereby approved; and
2. the CEO is hereby authorized to sign the Agreement on behalf of AHS.

/s/

Catherine MacNeill
Acting Corporate Secretary