

PUBLIC BOARD MEETING

February 18, 2010

**Glenrose Rehabilitation Hospital
Conference Room B
10230 – 111 Avenue
Edmonton, AB**

1:15 to 2:00 p.m.

A G E N D A

CALL TO ORDER

DECLARATION OF CONFLICT OF INTEREST

APPROVAL OF AGENDA

APPROVAL OF MINUTES

- January 21, 2010

CHAIR'S REMARKS

PRESIDENT AND CHIEF EXECUTIVE OFFICER'S REMARKS

RECOMMENDATION(S) FROM STANDING COMMITTEE(S)

Human Resources Committee Report – January 25, 2010

- Verbal Update

HR10-02 2010 United Nurses of Alberta (UNA) Negotiations Guiding Principles

Audit and Finance Committee Report – February 4, 2010

- Verbal Update

AF10-02 Risk Based Year Internal Audit Plan

AF10-04 Selection of Investment Manager

AF10-05 Banking Resolution Amendments

AF10-06 Third Quarter Investment Report

AF10-07 Lloydminster LTC Project – Land Purchase

AF10-09 Third Quarter Financial Reports

AHSB10-02 Sale of Additional Northtown Seniors Housing Condominiums in Wetaskiwin

Governance Committee Report – February 8, 2010

- **Verbal Update**

GOV10-01 Amendments to Health Advisory Council Bylaw and Charter

Quality and Safety Committee Report – February 8, 2010

- **Verbal Update**

OTHER BUSINESS

NEXT BOARD MEETING

- March 25, 2010
Lethbridge, Alberta

ADJOURNMENT



SPECIAL HUMAN RESOURCES COMMITTEE

RECOMMENDATION TO THE BOARD

Meeting Date: February 18, 2010

Agenda Item: HR10-02 2010 United Nurses of Alberta (UNA)
Negotiations Guiding Principles

Issue:

Alberta Health Services (AHS) requires guiding principles to guide the UNA collective agreement negotiation strategy and communication plan.

Recommendation:

That the Alberta Health Services Board approve the following Guiding Principles for United Nurses of Alberta (UNA) Negotiations:

- **We will make sure we have as many nurses as we need working in the appropriate places in Alberta. Patient care, safety and high quality health services are our highest priorities.**
- **Alberta will be competitive with other provinces, ensuring that we attract and retain nurses.**
- **We want to organize and manage the workforce to optimize the skills, function and expertise of nurses.**
- **We want to engage nurses in the process of improving access, improving quality and safety, and assuring the sustainability of the system.**

Background:

The collective agreement between Alberta Health Services (AHS) and the United Nurses of Alberta (UNA) expires on March 31, 2010. An AHS bargaining team has been appointed, including Covenant Health representation. Negotiations will begin in February 2010.



**AUDIT AND FINANCE COMMITTEE
RECOMMENDATION TO THE BOARD**

Meeting Date: February 18, 2010

Agenda Item: AF10-02 Risk Based 3-Year Internal Audit Plan

Issue:

Review and approve the Risk Based 3-Year Internal Audit Plan (the "Plan").

Recommendation:

That the Alberta Health Services Board approve Report AF10-02, Risk Based 3-Year Internal Audit Plan (April 2010 – March 2013).

Background:

The terms of reference of the Audit and Finance Committee require that the Committee approve the work plan for Internal Audit Services (IAS).

Current Situation:

A 3-year Internal Audit rolling plan is put forward for endorsement by the Audit and Finance Committee. Key inputs include:

- A review of priorities outlined in *AHS Strategic Direction 2009-2012*, and supporting plans (e.g. Strategic Directions for Research, Quality and Patient Safety Strategic Outline, Human Resources Strategy, and Information Technology Strategy).
- The Audit project proposed in the PricewaterhouseCoopers (PWC) *Internal Audit Report* dated February 2009.
- Opinions and information presented by senior management.
- The initial, draft risk register developed through the Enterprise-Wide Risk Management process.
- Audits conducted in the past three years and follow-up requirements.
- A review of standards, publications and articles regarding key factors to be considered in internal auditing.



AUDIT AND FINANCE COMMITTEE
RECOMMENDATION TO THE BOARD

Meeting Date: February 18, 2010

Agenda Item: AF10-04 Selection of Investment Manager

Issue:

To approve the selection of Alberta Health Services' (AHS) investment manager (Investment Manager).

Recommendation:

That the Alberta Health Services Board approve Report AF10-04, appointment of Phillips, Hager & North (PH&N) as AHS' Investment Manager.

Background:

Selection of an Investment Manager to manage and administer AHS' investment portfolio is a critical element of our accountability for prudent financial stewardship. The Investment Bylaw states that AHS shall appoint a qualified and competent Investment Manager to manage and administer AHS' investment portfolio.

Current Situation:

On November 23, 2009 AHS issued a formal RFP for the procurement of investment management services. Vendor submissions were evaluated based on four key criteria: i) transition plan, ii) experience, iii) process and performance, and iv) pricing. Vendors meeting the minimum criteria in all categories were invited to present to the Evaluation and Selection Committee, consisting of senior members of the AHS Finance management team. AHS Procurement & Supply Management has also been heavily involved throughout the RFP process to ensure compliance with AHS processes, policies, and communications.

The RFP process has concluded and the Evaluation & Selection Committee has selected **Phillips, Hager & North** as the preferred vendor.

PH&N is bringing to AHS a highly experienced team in both transition and portfolio management, and a system of strong internal controls, superior client service, and established systems / processes to meet AHS' investment objectives. PH&N obtained the highest scoring in the three technical categories, as well as offered competitive value relative to other providers. The estimated annual cost of investment management fees on a \$400M portfolio is 0.124% or \$494K per annum. As well, any one-time set-up costs have been waived.



**AUDIT AND FINANCE COMMITTEE
RECOMMENDATION TO THE BOARD**

Meeting Date: February 18, 2010

Agenda Item: AF10-05 Banking Resolution Amendments

Issue:

Alberta Health Services ("AHS") requires additional officers to have signing authority for banking purposes and executing financial transactions.

Recommendation:

That the Alberta Health Services Board approve Report AF10-05, Banking Resolution Amendments.

Background:

On March 25, 2009, a resolution was passed in order to allow all financial accounts which were held in the names of previous health authorities to be changed in the name of AHS, and to designate certain signing officers to execute financial transactions. This resolution allows Board-designated officers to execute banking documents on AHS' behalf, including banking agreements, new bank accounts, new facilities, and closing of existing facilities and accounts.

Current Situation:

Since the passing of the resolution, a need to increase the number of signing officers responsible for signing banking and related documents on behalf of AHS was determined. All banking related documents require two signatures for proper authorization. The additional officers would provide efficiencies and signing coverage due to position vacancies, geographic limitations, travel, and vacation.

AHS proposes the following positions to be added to the original six signing authorities:

Director, Debt & Investment Management;
Vice President – Financial Reporting; and
Vice President – Financial Planning.

In addition, any new Financial Matters require at least one of the two signing officers to be at a Vice President level or higher.



AUDIT AND FINANCE COMMITTEE
RECOMMENDATION TO THE BOARD

Meeting Date: February 18, 2010

Agenda Item: AF10-06 Third Quarter Investment Report

Issue:

Discuss and recommend for approval the Third Quarter Investment Report for Alberta Health Services ("AHS").

Recommendation:

That the Alberta Health Services Board approve Report AF10-06, Third Quarter Investment Report.

Background:

As part of the third quarter reporting a consolidated summary of the investment portfolios has been completed and is provided for Committee review.



AUDIT AND FINANCE COMMITTEE
RECOMMENDATION TO THE BOARD

Meeting Date: February 18, 2010

Agenda Item: AF10-07 Lloydminster LTC Project – Land Purchase

Issue:

Purchase of land in Lloydminster for development of continuing care spaces.

Recommendation:

That the Alberta Health Services Board approve Report AF10-07, the purchase of 10.15 acres of land, legally described as: Plan 0928995, Block 32, Lot 9 (as part of SW 35-49-1-W4), for the amount of \$2.5M from the City of Lloydminster, for current and future development of Continuing Care spaces; subject to Ministerial approval and funding from total Provincial Support funds.

Background:

In 2008, Alberta Health and Wellness approved a capital project to construct 60 long term care beds to replace 55 of the 105 existing beds at the Dr. Cooke Extended Care Centre facility, located on the Alberta side of the City of Lloydminster. It was determined through the community needs assessment that a new green field site was required to address both the short & long term continuing care needs of this rapidly growing community.

Following the project announcement, discussions pursued with the City of Lloydminster and a Letter of Offer to Purchase was submitted for a 10.15 acre parcel of land at a cost of \$2.5M. The City committed to complete the site servicing and subdivision of the property by early summer 2009. This work has long been completed and the City is now requesting that the land purchase transaction be honored to offset their costs of servicing the land.

The City of Lloydminster (the City) has fulfilled its commitment to sub-divide and site service the property and AHS should honor their Commitment to Purchase the land.



**AUDIT AND FINANCE COMMITTEE
RECOMMENDATION TO THE BOARD**

Meeting Date: February 18, 2010

Agenda Item: AF10-09 Third Quarter Financial Reports

Issue:

To review the third quarter financial results.

Recommendation:

That the Alberta Health Services Board approve Report AF10-09, Third Quarter Financial Reports.

Background:

Three quarterly reports are attached for information. Each report is prepared for a specific audience as noted below in their descriptions. The requirements specify variations between them in commentary and columns.

- Quarterly Financial Report to Alberta Health and Wellness
- Quarterly Financial Report to the Board Committee of the Whole
- Quarterly Financial Statements for Public Release

Current Situation:

The key results are as follows:

(millions)	YTD Actual	YE Forecast	YE Budget
Operating deficit	\$378	\$812	\$885
Accumulated deficit	\$767	\$1,238	\$1,273
Unrestricted cash	\$191	\$(612)	\$(921)

The forecast is as of January 25, 2010.



RECOMMENDATION TO THE BOARD

Meeting Date: February 18, 2010

Agenda Item: AHSB10-02 Sale of Additional Northtown Seniors Housing Condominiums in Wetaskiwin, Alberta

Issue:

Sale of the AHS-owned Northtown Seniors Housing Condominiums in Wetaskiwin to the Good Samaritan Society (GSS). Approval for Sale of 14 units to GSS was received from the AHS Board on May 28, 2009 resolution AF09-46, subsequent approval by the Minister of Health was received on September 15, 2009. From the time of the original request for decision and February 2010, an additional 7 units have become available.

Recommendation:

The Alberta Health Services Board approve:

- (1) The request to the Minister of Health & Wellness seeking approval to sell an additional 7 Northtown Seniors Condominiums in Wetaskiwin to Good Samaritan Society for the total price of \$1,022,000.**
- (2) The transfer of Alberta Health Services interests in the housing condominium development to the Good Samaritan Society subject to the adjustments in accordance with and upon the terms and conditions set out in the proposed Sale Agreement. (The sum of the original approval of \$2,080,400. + \$1,022,000 +\$30,000 =Total estimated proceeds to AHS of \$3,132,400.)**
- (3) The Board delegates authority to CEO to complete all transactions related to AHS interests in this development.**



GOVERNANCE COMMITTEE

RECOMMENDATION TO THE BOARD

Meeting Date: February 18, 2010

Agenda Item: GOV10-01 Amendments to Health Advisory Council Bylaw and Charter

Issue:

At the Health Advisory Committee meeting of December 15, 2009, the decision was made to revise the Health Advisory Council Bylaws and Charter.

Recommendation:

That the Alberta Health Services Board approve Report GOV10-01, Amendments to Health Advisory Council Bylaw and Charter.

Background:

The Health Advisory Council Bylaw and Charter were approved by the Alberta Health Services Board in June 2009.

Current Situation:

The recruitment and appointment of Health Advisory Council Members is complete.

During the course of developing the structure and reporting requirement of Health Advisory Councils, it became clear the role of Health Advisory Councils should be more specifically defined. The Health Advisory Committee has identified the need to update both the Bylaw and Charter to ensure the advisory role of Health Advisory Councils is made clear and to better define the opportunities of Health Advisory Councils to engage with the Health Advisory Committee of the Board.