Regional Council Chamber
150 Frederick Street, Kitchener

Present were: Chair T. Galloway, L. Armstrong, J. Brewer, D. Craig, R. Deutschmann*, J. Haalboom, B. Halloran, R. Kelterborn, G. Lorentz*, C. Millar, J. Mitchell, K. Seiling, J. Wideman* and C. Zehr

Members absent: T. Cowan and S. Strickland

DECLARATIONS OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT

None declared.

REQUEST TO REMOVE ITEMS FROM CONSENT AGENDA

Councillor Haalboom requested that item 4e), Audit Committee Summary be removed from the Consent Agenda.

MOTION TO APPROVE ITEMS OR RECEIVE FOR INFORMATION

MOVED by J. Wideman
SECONDED by L. Armstrong

THAT the following items be approved:

- Minutes of the Audit Committee – May 8, 2013;

AND THAT the following items be received for information:

- F-13-075, Quarterly Summary of Tenders/Quotes, Request for Proposals and Consultant Selections Approved by the Chief Administrative Officer
- F-13-076, Investment Position at June 30, 2013

CARRIED

* G. Lorentz joined the meeting at 9:52 a.m.

REGULAR AGENDA RESUMES

Audit Committee Summary – AUS-130618

In response to a Committee question about the reallocation of funds, Mike Murray, Chief Administrative Officer, advised that a staff report will be coming to the next Committee meeting.
with a summary of the cultural sites program review and related recommendations, including the development of a strategic plan development, using the reallocated funds.

Lucille Bish, Director, Community Services, stated that the report coming to the next Committee meeting will provide details about the strategic plan initiatives, including scope and cost.

MOVED by J. Haalboom
SECONDED by C. Zehr

THAT the Audit Committee endorse the recommendations and proposed actions of the Cultural Sites – Program Review 2012-2013 as described in Report No. CA-13-002/P-13-037, dated June 18, 2013;

AND THAT $50,000 from Project 4404 Visitor Services, included in the McDougall Cottage 2013 Ten Year Capital Program, be transferred to a new project in order to complete the Strategic Planning for the Cultural Sites Program in 2013.

CARRIED

REPORTS – FINANCE

a) F-13-077, 2014 Budget Review Process

Craig Dyer, Chief Financial Officer, provided a summary of the report and highlighted the budget review options for Councillors. He cautioned Councillors to adhere to the January 15, 2014 budget approval date.

The Committee discussed meeting options, resources used by staff to identify trends and develop budget options, and the option of setting a goal for staff reductions through attrition.

M. Murray advised that staff are looking at a variety of reduction options and he suggested that if Council wants to set a target to reduce staff, options could be presented but he recommended that Councillors focus on the bottom line. In response to a Committee question about whether staff reductions will be presented as an option to Council, C. Dyer stated that the focus of budget proposal options will be service levels and budget reduction options to meet the target of a 1.9% tax increase.

* J. Wideman left the meeting at 10:02 a.m.

In response to a question about the timing of the review of user fees, C. Dyer stated that the review will take place in November and December 2013.

M. Murray stated that staff will give some consideration to the request for staff reductions. He outlined the process undertaken by staff when preparing annual budgets and reminded the Committee that waste management issues will have a significant impact on the budget.

The Committee discussed the need for a closer examination and a more comprehensive review of budget items. T. Galloway recommended that Councillors invite Commissioners to provide an overview of their department priorities prior to the budget review process. M. Murray further recommended that the presentations be held at the appropriate committee meetings scheduled for September 10, 2013 and October 1, 2013.

* J. Wideman returned to the meeting at 10:06 a.m.
MOVED by R. Deutschmann
SECONDED by C. Millar

THAT Regional Commissioners be directed to make presentations to the appropriate committee meetings, to be held on September 10, 2013 and October 1, 2013, highlighting department priorities, trends and key issues as they relate to the 2014 budget review process.

CARRIED

C. Dyer advised that the presentations in September and October won’t provide financial data since this won’t be available until November 2013; he stated that the presentations would be brief, high level and focus on trends and issues.

Received for information

DELEGATIONS

a) Mike Prociw Vice President of Finance/Chief Financial Officer, and Angelo Loberto, Board Chair, Cambridge Memorial Hospital (CMH) addressed the Committee on the issue of the Capital Grant to Cambridge Memorial Hospital. They provided a presentation to the Committee; a copy is appended to the original minutes. Also in attendance representing CMH were Rita Westbrook, Board Vice Chair and Al Van Leeuwen, Chair, Capital Redevelopment Project Sub-Committee.

A. Loberto advised the Committee members that CMH is requesting the payment of the interest accrued on the grant. He gave an overview of the project and outlined the project plans for new facilities.

M. Prociw summarized the cost sharing formula; the needs of the fundraising campaign; and, an overview of the five-year targets. He stated that the accrued interest will be applied directly to the construction costs, which he advised have increased four-fold since several new components have been added to the original 2000 design. In response to a Committee inquiry about construction start date, he stated that construction will begin in spring 2014.

A. Loberto provided an update on current approvals and stated that it’s anticipated that the ministry will approve the working drawings within the next eight weeks.

F-13-078, Capital Grant to Cambridge Memorial Hospital

C. Dyer summarized the report and provided the payment options related to the two key issues: the grant payment and the interest payment. He stated that staff recommends option 3 since this project is being funded differently than the other local hospital projects in the past in that ministry funding for the CMH project will be paid near the end of the project. He stated that Council also needs to consider the request for payment of the accrued interest; currently $2.8M in interest has accrued in the Hospital Capital Reserve Fund, related to the CMH project.

K. Seiling stated that while the CMH request is asking for a change in the Region’s practice, he believes that the CMH situation warrants timely resolution and he is prepared to move a motion to make payment of the initial grant amount immediately and to refer the matter of payment of the interest to staff for future review and consideration by Council.
The Committee discussed and inquired about the history of grant payments to the other local hospitals and the interest accrual background and status. C. Dyer stated that in the past, grants were paid as the projects took place and that the accumulation of interest began in 2006 when Regional Council determined to segregate the funds for hospital projects. K. Seiling stated that the interest that accrued from 2000 to 2006 went towards the fundraising campaigns for the local hospitals.

T. Galloway summarized how the funds for the local hospital projects were funded by the Region and highlighted the importance of treating all the hospitals fairly. In response to a Committee question about how long it will be before a staff report on the interest payment options will be available, he suggested that a report would be prepared within a month.

In response to a Committee question about the disbursement of the interest for the other two hospital projects, C. Dyer advised that $2.7M has accrued for the Cambridge project, $2.3M was given to Conestoga College and there is approximately $1M remaining in the fund.

MOVED by K. Seiling
SECONDED by G. Lorentz

THAT the Regional Municipality of Waterloo forward the full grant commitment of $7.8 million to the Cambridge Memorial Hospital redevelopment project immediately and that the matter of interest payment options be referred to staff for further study and a recommendation for Council’s consideration.

CARRIED


C. Dyer stated that staff are continuing to project a shortfall to the end of the year. He highlighted waste management issues and advised that there may be some areas for savings but there are significant unknowns with supplementary taxes and right-offs. He anticipates having more detailed information in the next few weeks but predicts that the supplementary taxes will be less than in past years and that there will be a higher than usual number of write-offs. He stated that staff are looking to control discretionary expenditures and hoping to avoid a deficit budget for 2014. An update report will be prepared for the October committee meeting with results to the end of August 2013.

Received for information

OTHER BUSINESS

a) Council Enquiries and Requests for Information Tracking List

In response to an inquiry about the status of the public art report, L. Bish advised that staff was considering other projects and priorities, such as the rapid transit initiative.

In response to an inquiry about the status of the report on the Private Member’s Bill, Penny Smiley, Commissioner, Human Resources, said that a report will be prepared for the August 22 Council meeting.

Received for information
b) Notice of Motion

R. Deutschmann provided notice of his motion, as follows:

I, Rob Deutschmann, am providing notice that it is my intention to introduce the following motion at the next August 22 council meeting;

WHEREAS the current Regional Municipality of Waterloo Council Procedural By-Law 00-031 (referred to as the “Procedural By-Law”), as amended, provides at Section 35 that:

SPEAK ONCE – REPLY

No member will speak more than once to the same question without the approval of Council, except that a member who has presented a substantive motion rather than an amendment, may reply for not longer than five (5) minutes

AND WHEREAS Section 48(2) of the Procedural By-Law provides that:

While sitting in Committee of the Whole, the rules governing the procedure of Council and the conduct of members will be observed except that the number of times of speaking on any question will not be limited, provided that no member speaks more than once until every member who desires to speak has spoken.

AND WHEREAS Roberts Rules of Order Newly Revised 10th Edition in Section 4, The Handling of a Motion, under the heading Debate on a Question provides:

In the debate, each member has the right to speak twice on the same question on the same day, but cannot make a second speech on the same question so long as any member who has not spoken on that question desires the floor.

AND WHEREAS it is in the public interest to encourage as fulsome debate as can reasonably be accommodated at Regional Council;

BE IT RESOLVED THAT Section 35 of the Procedural By-Law be amended to provide that any member will be entitled to speak twice on the same question but the member cannot reply so long as any member who has not spoken on that question desires the floor.

c) D. Craig inquired about the status of court patrols and requested that T. Galloway, in his capacity of Chair of the Waterloo Regional Police Services Board, relay his request for an update.

d) J. Haalboom inquired about the status and maintenance of the local arboretum. Councillor Armstrong advised that the arboretum is under the jurisdiction of, and is being maintained by, Wilmot Township. He stated that any inquiries could be made to the Township facilities director.

* R. Deutschmann left the meeting at 11:07 a.m.

Rob Horne, Commissioner, Planning, Housing and Community Services, stated that, as part of the corporate strategic plan, staff has been looking at land trusts and stewardships. T. Galloway recommended that Regional staff partner with the Township staff to respond to Councillor Haalboom’s inquiries.

NEXT MEETING – September 10, 2013
MOTION TO GO INTO CLOSED SESSION

MOVED by L. Armstrong
SECONDED by J. Haalboom

THAT a closed meeting of the Planning and Works, Administration and Finance, and Community Services Committees be held on Tuesday, August 13, 2013 immediately following the Administration and Finance Committee meeting in the Waterloo County Room, in accordance with Section 239 of the Municipal Act, 2001, for the purposes of considering the following subject matters:

a) personal matters about identifiable individuals - committee appointments
b) receiving of legal advice that is subject to solicitor-client privilege related to an agreement
c) labour relations related to contract negotiations
d) labour relations related to contract negotiations
e) personal matters about identifiable individuals - committee appointments
f) proposed or pending litigation and receiving of legal advice that is subject to solicitor-client privilege related to a matter before an administrative tribunal
g) proposed or pending acquisition of land in the City of Kitchener
h) proposed or pending acquisition of land in the City of Kitchener

CARRIED

ADJOURN

The meeting adjourned at 11:13 a.m.

COMMITTEE CHAIR, T. Galloway

COMMITTEE CLERK, S. Natolochny
Cambridge Memorial Hospital Capital Redevelopment Project (CRP)

Angelo Loberto
Chair, Board of Directors

Mike Prociw
VP Finance & Corporate Services

August 2013
Agenda

• Overview of Capital Project
• Capital Cost Sharing Formula
• Hospital Share of Project Cost
• CMH Request of Interest Earned
Our New Hospital

Project scope – recap
• **New Construction:** 244,000 ft\(^2\)
  **Renovation:** 150,000 ft\(^2\)
• 54 incremental beds
• 97 inpatient beds in new tower, plus 100 inpatient beds in renovated space
  - 80% of beds in private rooms
• Everything will be new or renovated as new

Design Vision
• Environment of healing
• Positive work environment
• Strong community connection
• Design for flexibility and future change
• Operational efficiency
Our New Hospital

Some key design features

• Maximize views and access to daylight
• Ensure patient safety
• Adopt intuitive way finding strategies
• Provide access to safe and secure outdoor spaces as a natural extension of indoor space
• Provide patient friendly walking routes
• Ensure design is elder friendly
• Consider the impact of the environment on dignity, privacy and healing
• Create a welcoming environment
Our New Hospital

What’s being done…

- New Emergency Department
- New Intensive Care Unit
- 9 new Operating Rooms
- 6 new Birthing Rooms
- New Schedule 1 Mental Health unit
- Full renovation and expansion of Diagnostic Imaging and Laboratory
- Medical Education Campus
- Renovations to Medical Devices Reprocessing Department
- Major investment in replacement/new equipment
Capital Cost Sharing Formula

Redevelopment costs are shared between the Ministry and CMH

- Planning and Consulting costs are 100% funded by the Ministry
- Construction costs are shared 90%/10% between the Ministry & CMH
- Capital Equipment costs are 100% funded by CMH
Hospital Share of Project Cost

CMH’s 5 Year Capital Campaign Target is $50M

- $36M to address CMH’s local share of the Capital Redevelopment Project
- $4M for the new MRI service
- $10M to address CMH’s capital equipment needs through 2016/17
- $25M has already been raised as part of the OVOV campaign
CMH Request of Interest Earned

Rationale for CMH’s Request

• Region’s $7.8M pledge was made 13 years ago
• A Hospital specific capital levy was imposed as one of the major sources of funds to raise the Region’s commitment
• In 2006, funding that was not dispersed to the Hospitals was placed in a segregated fund and interest was accumulated at a hospital specific level
• The scope of CMH’s CRP has been extensively modified since that pledge was made (incorporating new OR’s and ER, new Birthing Units, Obstetrics and Pediatrics, a Medical Education Campus and renovations to the existing facility)
CMH Request of Interest Earned

Rationale for CMH’s Request (cont.)

- There has been significant price escalation in the construction market place over the past 10 years
- Scope change and price escalation has lead to a 3-4 fold increase in the price of the project
- The CRP will significantly transform the way the Waterloo-Wellington Health Care delivery system and CMH provide services to Cambridge, North Dumfries and South Kitchener
- Foundation Campaign is ongoing and in need of strategies to raise the targeted $25M
Thank you!

Exceptional Healthcare
Exceptional People