



SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

October 1, 2015

MINUTES OF THE MEETING OF THE BOARD OF THE SUNSHINE COAST REGIONAL HOSPITAL DISTRICT HELD IN THE BOARDROOM AT 1975 FIELD ROAD, SECHELT, B.C.

| | | |
|----------------------|---|--|
| PRESENT: | Chair | F. Mauro |
| | Directors | G. Nohr L. Hay (Alt.) M. Lebbell I. Winn B. Milne J. Valeriotte (Alt.) C. August |
| VCH STAFF: | Regional Director, Capital Planning | J. Marais |
| | Director, Sunshine Coast | L. Tindall |
| | Chief Operating Officer | M. Nader |
| | Regional Director, Capital Projects | L. Harder |
| ALSO PRESENT: | Chief Administrative Officer | J. Loveys |
| | Treasurer | T. Perreault |
| | Alternate Director, District of Sechelt | A. Lutes |
| | Recording Secretary | T. Crosby |
| | Public | 0 |
| | Press | 0 |

CALL TO ORDER 10:34 a.m.

AGENDA **It was moved and seconded**

43/15 THAT the agenda for the meeting be adopted as presented.

CARRIED

MINUTES

Minutes **It was moved and seconded**

44/15 THAT the Sunshine Coast Regional Hospital District Board Meeting Minutes of July 16, 2015 be adopted as circulated.

CARRIED

The Board moved In-Camera at 10:38 a.m.

IN CAMERA

It was moved and seconded

45/15

THAT the public be excluded from attendance at the meeting in accordance with the *Community Charter* Section 90(1) (k) - "negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public";

AND THAT Alice Lutes, Alternate Director for the District of Sechelt, be authorized to be in attendance for the In-Camera meeting.

CARRIED

The Board moved out of In-Camera at 11:25 a.m.

ADJOURNMENT

It was moved and seconded

46/15

THAT the Sunshine Coast Regional Hospital District Board meeting be adjourned.

CARRIED

The meeting adjourned at 11:25 a.m.

Certified correct _____
Secretary

Confirmed this _____ day of _____

Chair

SCRHD STAFF REPORT

DATE: November 30, 2015
TO: Sunshine Coast Regional Hospital District Board – December 17, 2015
FROM: Tina Perreault, Treasurer
RE: **2016 REGIONAL HOSPITAL DISTRICT PROVISIONAL BUDGET**

RECOMMENDATION

THAT the report titled “2016 Regional Hospital District Provisional Budget” be received;
AND THAT the Sunshine Coast Regional Hospital District 2016 Provisional Budget be adopted as presented.

BACKGROUND

As per Section 23(1) of the *Hospital District Act*, the Regional Hospital District Board must adopt a provisional budget for the following calendar year, prior to December 31st each year.

For 2015 there was also a data entry error to the Sunshine Coast Regional Hospital District (SCRHD) tax requisitions submitted to the Surveyor of Taxes and Municipalities which exceeded the funds required per budget. The correct total for requisitions should have been \$1,909,638, however the total requisitioned was \$2,275,498 (\$365,860 more than required amount). This amount was invested and will be returned to taxpayers in 2016 with accrued interest.

DISCUSSION

The 2016 Draft Sunshine Coast Regional Hospital District Provisional Budget is attached for reference (Attachment A). The following tables show the five-year historical values for tax requisition and capital reserve plans.

Table 1: Five-year historical values for tax requisition

| | 2016 Provisional | 2015 | 2014 | 2013 | 2012 | Total 5 Year Change |
|---|-----------------------------|-------------|------------------|--------------|-------------|------------------------------------|
| Tax Requisition | \$1,839,908 | \$1,909,638 | \$1,823,717 | \$ 1,827,679 | \$1,821,941 | |
| Change in dollars | (\$69,730) | \$85,921 | (\$3,962) | \$5,738 | \$0 | \$17,967 |
| % change over prior Year | -3.65% | 4.71% | -0.22% | 0.31% | 0.00% | 1.16% |

Table 2: Five-Year Reserve Plan:

| Item | 2016 Amount | 2017 Amount | 2018 Amount | 2019 Amount | 2020 Amount |
|--|----------------|----------------|----------------|----------------|----------------|
| Opening balance | \$ 587,815 | \$ 288,426 | \$ 563,426 | \$ 838,426 | \$ 1,113,426 |
| Contributions (prior year) | \$ 275,000 | \$ 275,000 | \$ 275,000 | \$ 275,000 | \$ 275,000 |
| Surplus/(Deficit) (t.b.d.) | | \$ - | \$ - | \$ - | \$ - |
| 2015 Carry-Forward (Anesthetic Machine & Closed Loop Medication Unit) | (574,389) | 0 | 0 | 0 | 0 |
| VCH Capital Request (t.b.d.) | 0 | | 0 | 0 | 0 |
| Closing Balance In Reserve | \$ 288,426 | \$ 563,426 | \$ 838,426 | \$ 1,113,426 | \$ 1,388,426 |

Taxation

Taxation increased an average of 1.16% since 2012. When the budget comes for adoption in March 2016, the final amounts will be updated as well as the projected assessment rates. The Provisional Budget is using 2015 roll assessment data to calculate the residential rate for taxation. The residential rate is currently projected to decrease 0.74¢ over 2015 per \$100,000 of assessed value as a result of decreases to administration charges from the Sunshine Coast Regional District and debt. The actual rate will be approximately \$15.63 per \$100,000 (down \$8.57) as a result of the refund to taxpayers for the 2015 requisition error.

General Budget

Included in 2016, are carry-forwards for unspent minor capital funds for 2014 (\$180,100), 2015 (\$240,000), plus the approved addition minor capital for the anesthetic machines (\$26,495 remaining) and closed loop medication unit (\$547,894). Details regarding spending delays from Vancouver Coastal Health (VCH) are unknown at this time. Staff will investigate and request an update from VCH for the February 2016 SCRHD meeting.

The 2015 Sunshine Coast Regional Hospital Administration budget (Attachment B) is projected to have a small year-end surplus of approximately \$5,000. The final result will be incorporated and brought forward to the final RHD budget adoption in March 2016. For 2016, the overall administration budget is projected to be reduced as a result of overall lower wage costs.

Additional items include the \$3,500 grant to the Hospital Auxiliary which covers the thrift stores tipping fees. The Sechelt Hospital Expansion Project is anticipated to be complete in 2016/17, which will result in a reduction of interest earned on the debenture investment and is reflected in the 2016 Budget.

Debt

Debt payments have decreased by \$50,818 in 2016 as a result of the final payment for the 2005 upgrade of the acute psychiatric bed project borrowing.

Major Capital Projects

The Major Capital Projects section of the budget includes all the funding partners. The cost share commitment between VCH and the SCRHD has remained unchanged, at a total of \$39.750 million, however when VCH reports on the total project costs spent to date, all funding sources are included. Therefore, reconciliation is better understood on this basis. The renovation phase (BP3) is anticipated to commence in 2016 and Staff anticipate a formal public announcement from VCH shortly on this matter.

Summary

The overall 2016 SCRHD Provisional Budget is \$69,730 lower than 2015. In addition to lower debt servicing costs staff have incorporated efficiencies by lowering administration fees by \$18,913 and as a resulting in an approximate tax rate reduction of 3.65%. Therefore, it is recommended that the SCRHD 2016 Provisional Budget be adopted as presented.

Attachments:

1. SCRHD 2016 Provisional Budget
2. SCRHD Draft Legislative and Administrative Services

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2016 Provisional Budget

| | | | 2015 - 2016 | |
|---|---------------------|---------------------|---------------------|---------------|
| | Budget 2016 | Budget 2015 | \$ Change | % Change |
| REVENUE | | | | |
| Tax Requisition | \$ 1,839,908 | \$ 1,909,638 | (69,730) | -3.65% |
| Less: | | | | |
| 2015 Tax Requisition Overage | \$ (365,860) | \$ 365,860 | | |
| Interest Earned on Tax Overage | \$ (4,492) | | | |
| Total Tax Requisition | \$ 1,469,556 | \$ 2,275,498 | | |
| Grants in Lieu of Taxes | 1,300 | 1,300 | - | |
| Interest Revenues - Operating Funds | 5,000 | 5,000 | - | |
| Transfer from Sec 20 Reserves-Carry Over | 574,389 | 104,000 | 470,389 | 452.30% |
| Surplus - Operating | - | - | - | |
| Surplus - Operating-Carry Over | 420,101 | 245,560 | 174,541 | 71.08% |
| Interest Revenue - On debenture investments | 10,000 | 10,000 | - | 0.00% |
| TOTAL REVENUE | \$ 2,480,346 | \$ 2,641,358 | \$ 575,200 | 21.78% |
| EXPENDITURES | | | | |
| Debt Payments | | | | |
| - Principal | \$ 510,354 | \$ 542,548 | (32,194) | -5.93% |
| - Interest | 726,170 | 744,794 | (18,624) | -2.50% |
| - Short Term Interest | - | - | - | |
| Admin expenses - S 17(2) | 91,184 | 110,097 | (18,913) | -17.18% |
| Other Expenditures - Grant St Mary's Hospital Auxillary | 3,500 | 3,500 | - | 0.00% |
| Minor Capital Expenditures- Current Year | 240,000 | 240,000 | - | 0.00% |
| Minor Capital Expenditures- Carry-Over Prior Year | 420,101 | 245,560 | 174,541 | |
| Additional Minor Capital Expenditures-Carry Over | 574,389 | 104,000 | 470,389 | |
| Additional Minor Capital Expenditures | - | - | - | |
| Transfer to Reserves | 275,000 | 275,000 | - | 0.00% |
| Transfer to Approp. Capital Surplus | 10,000 | 10,000 | - | 0.00% |
| Less: | | | | |
| Tax Requisition repayment | (365,860) | 365,860 | (731,720) | |
| Interest Earned on Tax Overage | \$ (4,492) | | | |
| TOTAL EXPENDITURES | \$ 2,480,346 | \$ 2,641,359 | \$ (156,521) | -5.93% |
| Surplus (deficit) | \$ 0 | \$ (1) | | |
| Budgeted Residential Tax Rate (per \$100,000 of assessed value) | \$ 19.56 | \$ 20.30 | \$ (0.74) | -3.65% |
| Actual Residential Tax Rate (per \$100,000 of assessed value) | \$ 15.63 | \$ 24.19 | \$ (8.57) | -35.42% |

Major Capital Projects

St Mary's Hospital Expansion Project - \$44.150 million total budget

| Project Cost | Prior Year Spent | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|--|-------------------|------------------|------|------|------|------|-------------------|
| VCH share (60%) | 23,850,000 | | | | | | 23,850,000 |
| Ministry of Health & St. Mary's Foundation | 4,400,000 | | | | | | 4,400,000 |
| SCRHD share (40%) | 12,834,192 | 3,065,808 | | | | | 15,900,000 |
| Total Project cost | 41,084,192 | 3,065,808 | | | | | 44,150,000 |
| | 93% | 7% | 0% | | | | 100.00% |

note: subject to revised construction schedule

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

| | Debt Payments | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Existing Debt - Prior to Hospital Expansion Project | | | | | |
| Principal | 7,909 | 7,909 | 7,909 | 7,909 | - |
| Interest | 5,010 | 5,010 | 5,010 | 5,010 | - |
| Annual Payment | 12,919 | 12,919 | 12,919 | 12,919 | - |
| Hospital Expansion - 14.7mil borrowed in 07 | | | | | |
| Principal | 502,445 | 502,445 | 502,445 | 502,445 | 502,445 |
| Interest | 721,160 | 721,160 | 721,160 | 721,160 | 721,160 |
| Total Annual Payment | 1,223,605 | 1,223,605 | 1,223,605 | 1,223,605 | 1,223,605 |
| Total Annual Debt Payment Costs | 1,236,524 | 1,236,524 | 1,236,524 | 1,236,524 | 1,223,605 |

SCRHD Legislative Administrative Services 2016

Provisional Budget (118)

| | | | | 2016 |
|---|--------------|---------|----------------|---------------|
| Admin Services | Time % | Salary | Net | |
| Administrator | 10% | 147,684 | 14,768 | 14,768 |
| Treasurer | 10% | 101,765 | 10,177 | 10,177 |
| Mgr Legislative Svs | 10% | 98,694 | 9,869 | 9,869 |
| CAS Admin Assit | 10% | 55,135 | 5,514 | 5,514 |
| Accounting Clerk | 10% | 57,348 | 5,735 | 5,735 |
| Wage Contingency | 2% | | | 921 |
| | | | 46,063 | 46,984 |
| Benefits | | | | 12,078 |
| WCB | | | | 1,463 |
| Total Wages & Benefits | | | | 60,525 |
| | # of meeting | rate | # of Directors | |
| Chair Remuneration | 4 | \$ 221 | 1 | 884 |
| Board Remuneration | 4 | \$ 119 | 7 | 3,324 |
| Additional Meeting - Expansion Project | 4 | \$ 221 | 1 | 884 |
| Additional Meeting - Expansion Project | 4 | \$ 119 | 7 | 3,324 |
| | | | | 8,416 |
| Admin Costs | | | | |
| Support Services | | | | 15,143 |
| Meeting Expense | | | | 500 |
| Postage | | | | 150 |
| Office Supplies | | | | 200 |
| Travel | | | | 1,200 |
| Computer Software/renewal (Caseware) | | | | 450 |
| Audit | | | | 4,500 |
| Advertising | | | | 100 |
| Total Admin | | | | 22,243 |
| Total Admin Services | | | | 91,184 |
| Less Prior Year surplus (function 118) | | | | |
| Total Recovery | | | | 91,184 |