

## **SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT**

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**TO:** Sunshine Coast Regional Hospital District - December 1, 2016

**AUTHOR:** Tina Perreault, Chief Financial Officer / General Manager, Corporate Services

**SUBJECT:** VANCOUVER COASTAL HEALTH MINOR CAPITAL PLAN

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### **RECOMMENDATION(S)**

**THAT the report titled Vancouver Coastal Health Minor Capital Plan be received;**

**AND THAT for 2017, the \$240,000 of minor capital funds be transferred to reserves until such time Vancouver Coastal Health provides a comprehensive plan to expend the current funds of \$652,125;**

**AND THAT the 2017 Sunshine Coast Regional Hospital District Final Budget reflect the amendment;**

**AND FURTHER THAT the Minor Capital Grants Policy be updated for the Sunshine Coast Regional Hospital District Boards consideration.**

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### **BACKGROUND**

As part of the December 1, 2016 Delegation to the Sunshine Coast Regional Hospital Board (SCRHD), Vancouver Coastal Health (VCH) provided a list of equipment priorities in relation to the annual minor capital funding provided by the SCRHD. Each year \$240,000 is budgeted to provide to VCH. Per the 2017 Provisional Budget, this amount has grown to \$652,125 (2014-\$172,125; 2015-\$240,000; & 2016 \$240,000), with an additional \$240,000 Budgeted in 2017 which would increase the fund to \$892,125.

### **DISCUSSION**

The list provided by VCH, on Monday, November 28, 2016, has an approximate \$595,600 of proposed equipment purchases which span into late 2017. This would still leave an uncommitted amount of \$296,525 in the fund. The list also includes two large equipment purchases for an Ultrasound-\$145,000 and Patient Monitors-\$140,000.

In December 2000, the SCRHD adopted a Minor Capital Grants Policy which is attached for reference. It states that "*Minor Capital projects are either construction or equipment acquisitions with a maximum price of \$100,000*". The practice has been that any amount that exceeds this is presented to the SCRHD as a cost share request under the 60%-VCH/40%-SCRHD cost share allocation. A recent example would be the approval of the two washer decontaminators where the total equipment cost is \$210,000 with VCH funding \$126,000 (60%) and SCHRHD funding \$84,000 (40%). Therefore, under the current Policy, the Ultrasound and Patient Monitors would not qualify as minor capital.

Due to the incongruences with VCH's equipment plan and the SCRHD's current Minor Capital Grant Policy, it is recommended that the \$240,000 budgeted in 2017 toward minor capital be transferred to reserves instead. This will allow VCH some time to amend their equipment plan to expend the current carryforward balance of \$652,125. The funds will remain in reserves until such time VCH provides the SCRHD with plans for any additional minor capital. If the SCRHD Board approves this change, Staff would make the amendment in the Final 2017 Budget with the 2017 Provisional remaining as presented.

Furthermore, the original Minor Capital Grant Policy adopted in 2000 has not been updated since that time. So Staff recommend that the Policy be updated and presented at the January 2017 SCRHD Board meeting for consideration.

Attachments:

1. Vancouver Coastal Health Authority-Sunshine Coast RHD equipment plan
2. SCRHD Minor Capital Grants Policy

Reviewed by:			
Manager		Finance	X-TP
GM		Legislative	
CAO	X-JL	Other	

**Vancouver Coastal Health Authority  
Sunshine Coast  
RHD equipment  
as of November 24, 2016**

Site	Date Added	Replace or New	Department	Equipment Description	Quantity	Unit Price	Total
SH	20-Oct-16	N	Ultrasound	Portable Stand Alone Ultrasound Echo Machine	1	145,000	145,000
SH	6-Sep-16	R	OR	Surgical table, refurbished , 17920 each	2	19,000	\$ 38,000
SH	6-Sep-16	R	ACU	Tango Blood Pressure unit	1	8,500	\$ 8,500
SH	1-Nov-16	R	Pharmacy	Narcotic cart for Emerg	1	7,000	\$ 7,000
SH	18-Feb-16	N	ER	Electric Stretchers	4	9,500	\$ 38,000
SH	6-Sep-16	R	PAR/ER	Patient Monitors	5	28,000	\$ 140,000
SH	24-Nov-16	R	Emerg	Emerg ultrasound	1	60,000	\$ 60,000
Comm	25-Apr-16	N	Homecare	Tilt Wheelchairs x 1	1	8,000	\$ 8,000
SH	20-May-15	N	Radiology	GE Transducer	1	10,000	\$ 10,000
SH	6-Sep-16	R	Kitchen	Walk-in freezer	2	35,000	\$ 70,000
SH	6-Sep-16	R	ACU	Exercise Stress Testing Equipment(minus treadmill)	1	38,000	\$ 38,000
SH	28-Sep-16	R	Gen Surg	Broda Wheelchair	1	5,600	\$ 5,600
SH	28-Sep-16	R	OR	Monitor Aisysis Anaesthesia machine	1	9,000	\$ 9,000
SH	27-Sep-16	N	MDRD	Variable height stainless steel wrapping tables	2	6,500	\$ 13,000
SH	28-Sep-16	R	MDRD	Steripeel Sealer	1	5,500	\$ 5,500
Approximate costs pending updates to quotes							<u>\$ 595,600</u>

**SUNSHINE COAST REGIONAL HOSPITAL DISTRICT  
MINOR CAPITAL GRANTS POLICY  
Adopted December 14, 2000 – Motion No. 64/00**

**A. Policy – Minor Capital Grants**

The Sunshine Coast Regional Hospital District is committed to funding Minor Capital projects within the SCRHD area relating to Acute and Extended Care services.

**B. Responsibility**

The Treasurer of the Sunshine Coast Regional Hospital District shall be responsible for the administration of this policy.

**C. Definitions**

1. Minor Capital projects are either construction or equipment acquisitions with a maximum price of \$100,000.
2. The “Board” is the Board of the Sunshine Coast Regional Hospital District.
3. The “CHC” is the Board of the Sunshine Coast Community Health Council.
4. The “Treasurer” is the officer appointed under S196 of the *Local Government Act* and S17 of the *Hospital District Act* for the financial administration of the Sunshine Coast Regional Hospital District.

**D. Process**

1. The Treasurer will request a prioritised listing of Minor Capital projects from the CHC as part of the yearly budget process.
2. The Board will determine funding levels and select projects.
3. The CHC may proceed with the projects approved by the Board.
4. The CHC must receive prior approval of the Board prior to making any changes to the approved project listing.
5. The Treasurer will ensure that approved funding will be released in September for each budget year.
6. The CHC must report back to the Board on the disposition of prior year funds before any new year funding is released.
7. The CHC must acknowledge in their annual financial statements, all contributions made by the RHD.
8. No carry over (over two fiscal periods) of grant amounts is permitted, except with the prior consent of the SCRHD Board.