



## SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

### BOARD MEETING TO BE HELD IN THE BOARDROOM OF THE REGIONAL DISTRICT OFFICES AT 1975 FIELD ROAD, SECHELT, BC



Thursday, March 26, 2020

## AGENDA

**CALL TO ORDER** 9:00 a.m.

### AGENDA

1. Adoption of Agenda

### MINUTES

2. Sunshine Coast Regional Hospital District Inaugural Board Meeting Minutes of January 23, 2020

Annex A  
Pages 1-3

### BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS

### PRESENTATIONS and DELEGATIONS

### REPORTS

3. General Manager, Corporate Services / Chief Financial Officer – 2020 Sunshine Coast Regional Hospital District Final Budget

Annex B  
pp. 4-15

### COMMUNICATIONS

### MOTIONS

### BYLAWS

4. *Sunshine Coast Regional Hospital District Annual Budget Bylaw No.89 , 2020*  
*- first, second, third readings and adoption*

Annex C  
pp. 16-17

### NEW BUSINESS

### IN CAMERA

### ADJOURNMENT



**SUNSHINE COAST REGIONAL HOSPITAL DISTRICT**

**January 23, 2020**

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.

<b>PRESENT:</b>	Chair	L. Pratt
	Directors	D. Croal M. Hiltz L. Lee D. McMahon D. Siegers A. Tize A. Toth
<b>VCH:</b>	Regional Director, Capital Planning Director, Sunshine Coast	J. Marais G. Latham
<b>ALSO PRESENT:</b>	Chief Administrative Officer G.M., Corporate Services / Chief Financial Officer Corporate Officer Administrative Assistant / Recorder Media Public	D. McKinley T. Perreault S. Reid T. Crosby 2 0

**CALL TO ORDER**                      The Corporate Officer assumed the Chair and called the Inaugural Board meeting to order at 2:40 p.m.

**ELECTION OF CHAIR**

The Corporate Officer called for nominations for the position of Chair of the Regional Hospital District Board for 2020.

Director McMahon nominated Director Pratt. Director Pratt accepted the nomination.

The Corporate Officer called a second time for nominations.

The Corporate Officer called a third time for further nominations.

There being no further nominations, nominations were closed.

Director Pratt was declared Chair of the Sunshine Coast Regional Hospital District Board by acclamation for 2020.

**ELECTION OF VICE CHAIR**

Director Pratt assumed the Chair. Chair Pratt called for nominations for the position of Vice Chair of the Regional Hospital

District Board for 2020.

Director Siegers nominated Director McMahon. Director McMahon accepted the nomination.

The Chair called a second time for further nominations.

The Chair called a third and final time for further nominations.

There being no further nominations, nominations were closed.

Director McMahon was declared Vice Chair of the Sunshine Coast Regional Hospital District Board by acclamation for 2020.

## **AGENDA**

**It was moved and seconded**

01/20

THAT the agenda for the meeting be adopted as amended.

**CARRIED**

## **MINUTES**

Minutes

**It was moved and seconded**

02/20

THAT the Sunshine Coast Regional Hospital District Board Meeting Minutes of October 31, 2019 be adopted as circulated.

**CARRIED**

## **PRESENTATIONS AND DELEGATIONS**

*Johan Marais, Regional Director, Capital Planning and Gerry Latham, Director, Sunshine Coast, Vancouver Coastal Health (VCH) addressed the Board to provide an overview of VCH Capital Project and Minor Capital Equipment Plan.*

*The Chair thanked Mr. Marais and Ms. Latham for their presentation.*

VCH Presentations

**It was moved and seconded**

03/20

THAT the presentation titled Sechelt Hospital Minor Capital Equipment Presentation to the SCRHD dated January 23, 2020 be received.

**CARRIED**

## **REPORTS**

Audit Planning

**It was moved and seconded**

04/20

THAT the General Manager, Corporate Services / Chief Financial Officer's report titled 2019 BDO Audit Planning Letter be received;

AND THAT the Audit Planning Communication from BDO Canada LLP for the Audit of the Financial Statements of the Sunshine Coast Regional Hospital District for the year ended December 31, 2019 be received.

**CARRIED**

Cost Share Request

**It was moved and seconded**

05/20

THAT the General Manager, Corporate Services / Chief Financial Officer's report titled Vancouver Coastal Health (VCH) Cost Share Request be received;

AND THAT the Sunshine Coast Regional Hospital District (SCRHD) fund VCH's 40% cost share request totaling \$9322,000 for replacement of the motor control centre-transfer switch and emergency power generator (\$612,000), three 20 tonne chiller replacement (\$130,000), and an oxygen system upgrade (\$180,000);

AND THAT the projects be funded from Reserves;

AND FURTHER THAT the approved projects and associated funding be incorporated into the 2020 SCRHD Budget Bylaw Schedule in preparation for adoption.

**CARRIED**

**ADJOURNMENT**

**It was moved and seconded**

06/20

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

**CARRIED**

The meeting adjourned at 3:13 p.m.

Certified correct \_\_\_\_\_  
Secretary

Confirmed this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Chair

**SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT**

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**TO:** Sunshine Coast Regional Hospital District Board – March 26, 2020  
**AUTHOR:** Tina Perreault, General Manager, Corporate Services / Chief Financial Officer  
**SUBJECT:** 2020 SUNSHINE COAST REGIONAL HOSPITAL DISTRICT FINAL BUDGET

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**RECOMMENDATION(S)**

**THAT** the report titled **2020 Sunshine Coast Regional Hospital District Final Budget** be received;

**AND THAT** the **2020 Final Budget** be adopted as presented.

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**BACKGROUND**

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

In accordance with this, the following resolution was passed at the October 31, 2019 Sunshine Coast Regional Hospital District Board (SCRHD) Board meeting:

*Provisional Budget*                      ***It was moved and seconded***  
  
33/19    *THAT the report titled 2020 Provisional Budget be received;*  
  
   *AND THAT the 2020 Provisional Budget be adopted as presented.*

The final budget must be adopted, by Bylaw, on or before March 31 in each year per section 23(5) of the *Hospital District Act*.

**DISCUSSION**

The SCRHD Draft Final Budget is attached for reference (Attachment A). 2019 Actuals have also been included and will be finalized as part of the approval of the draft audited Financial Statements in April 2020.

The 2020 budget aligns with Public Sector Accounting Standards (PSAS) financial statement reporting standards presentation.

For 2020, the final budget includes a projected operating deficit of \$(709,658) due to planned expenses exceeding planned revenues. The operating surplus is offset by other sources and uses of funds not classified as operating revenues and expenses such as debt principal repayments, transfers to/from reserve and prior year surpluses. The majority of the deficit is attributed to the new capital cost share request from Vancouver Coastal Health (VCH) which will be funded through reserves. These items are reflected in the transfers and other section of the budget and result in a balanced budget overall.

Details on individual budget line items are outlined below. Any change from the Provisional Budget is noted in *italics* where applicable. The Provisional Budget staff report is also attached for reference (Attachment B).

**Revenue**

Grants in Lieu of Taxes

Projected revenue has been reduced from \$750 in 2019 to \$316 for 2020 to reflect actual Grant in Lieu payments received in 2019.

Tax Requisition

The projected tax requisition has decreased by **(\$39,045)** to \$1,369,464 compared to \$1,408,509 in 2019. The table below summarizes the budgeted purpose for which tax requisition monies are collected:

<b>2020 Final Budget Tax Requisition Summary</b>	
<b>Purpose</b>	<b>Amount</b>
Administration and operating expenses, net of operating fund revenues	\$ 27,295
Principal and interest payments on long-term debt	839,086
Annual funding for minor equipment (< \$100,000)	240,000
Annual funding for capital equipment (> \$100,000)	275,000
Prior year budget surplus less minor equipment carry forward	(11,917)
<b>Total Tax Requisition</b>	<b>\$ 1,369,464</b>

*Change from provisional: Decrease of **(\$37,743)** due to inclusion of prior year surplus **(\$11,917)** decrease net of decreased administration expense **(\$25,826)**.*

Investment Income

Investment income has been adjusted down to \$30,000 for 2020 to reflect the current unstable market conditions, which is a decrease of \$20,000 over 2019. Income earned on the investment of capital equipment reserve fund and major capital project fund monies are transferred into the respective funds for allocation to future projects. Income earned on the investment of operating funds, budgeted at \$5,000 for 2020, are used to offset taxation.

*Change from provisional: Decrease of \$20,000 based on changes to market conditions.*

Other revenue – Municipal Finance Authority (MFA) actuarial

The MFA actuarial adjustment is associated with the interest earned on sinking fund monies held by the MFA for future debt retirement. The adjustment is applied against the principal balance remaining on the SCRHD’s outstanding debt obligations so there is no cash inflow associated with this revenue.

Other revenue – MFA debt reserve fund payout

There are no debt reserve payouts scheduled for 2020.

***Expenses***

Administration, Bank Charges and Other Expenditures

These funds are budgeted to cover the reimbursement of administrative costs expensed through Regional District Function 118 (SCRHD Administration). Administrative costs consist mainly of staff wages, Director remuneration and audit fees.

Other expenditures include bank fees of approximately \$150 annually and an annual reimbursement of \$3,500 to the Sechelt Hospital Auxiliary Thrift Store to offset landfill tipping fees for donated goods.

*Change from provisional: Decrease of \$30,826 due to lower than anticipated administration expense.*

Interest on Long Term Debt

Interest payments on long-term debt are fixed based on MFA amortization schedules. Interest payments for 2020 have decreased by \$5,010 over 2019 to \$336,641. This is due to a debt issue falling off in last year.

Minor Equipment (< \$100,000)

Annual funding of \$240,000 is budgeted for minor equipment purchases valued at less than \$100,000. VCH identifies and procures minor equipment purchases based on existing needs and priorities at the Sechelt Hospital and are reimbursed by the SCRHD upon submission of invoices. Any unused funding is carried forward for use in the following year.

Funding available in 2020 is \$1,120,171, inclusive of an \$880,171 carryforward based on unused funding from prior years as at December 31, 2019.

Capital Equipment (>\$100,000)

Funding for capital equipment purchases valued at more than \$100,000 are approved by the SCRHD Board on a case by case basis when a request is received from VCH. Funding is cost shared, with the SCRHD portion set at 40% per the terms of the Memorandum of Understanding (MOU) between VCH and Regional Hospital Districts.

Annual funding from taxation is set at \$275,000 and is held in reserve until such time as the funding is required. A summary of the projected 2020 reserve fund balance and budgeted funding commitments is included in the table below:

<b>Capital Equipment (&gt;\$100,000) Reserve Fund Summary</b>	
Projected 2020 Opening Balance	\$ 1,808,667
Annual Funding Contribution	275,000
<b>Available for projects in 2020</b>	<b>2,083,667</b>
Less funding commitments:	
Motor control centre, transfer switch and generator	612,000
3 Chillers	130,000
Oxygen system upgrade	180,000
<b>Uncommitted balance</b>	<b>\$ 1,161,667</b>

*Change from provisional: Approval of new cost-share request from VCH totaling \$922,000 and the closed loop medication system and washer decontaminator have not been carried forward into 2020 Budget per VCH.*

### Major Capital Projects

Funding for major capital projects are also approved by the SCRHD Board on a case by case basis when a request is received from VCH. Funding is cost shared with the SCRHD portion set at 40% per the terms of the MOU.

Funding for major capital projects is generally secured through long-term borrowing with any surplus monies and interest earned held in a separate fund for use towards future major capital projects. The 2020 opening balance for the major capital fund is \$1,107,567. There are no planned commitments or contributions to the fund in 2020 aside from investment earnings.

### Transfers and Other

This category comprises other sources and uses of funds that are not classified as revenue or expenses per PSAS. These items reflect the allocation of financial equity required to offset the budgeted operating surplus or deficit and balance the budget to zero.

### Repayment of long-term debt

Repayment of long-term debt is comprised of cash repayments and non-cash MFA actuarial adjustments. These amounts are fixed based on MFA amortization schedules and reflect the total repayment of long-term debt recorded on the financial statements.

Cash repayments for 2020 are \$7,909 less than 2019 budget values and will total \$502,445. The reduction is due to the expiry of MFA Issue 71.

For 2020, the non-cash actuarial adjustment is budgeted at \$301,985 which is a \$20,952 increase over the actual 2019 value. This is reflective of the increase in investment income due to an accumulating balance in the MFA administered sinking fund, net of reduced income due to the expiry of MFA Issue 71.

### Transfer (to)/from Capital Equipment Reserve and Major Capital Fund

Amounts budgeted to these lines consist of committed funding for projects to be transferred out of the funds as project expenditures are incurred, net of annual funding, investment income and MFA debt reserve fund payouts for transfer into the fund.

*Change from provisional: Increased \$758,383 to reflect increased funding commitments for capital equipment (>\$100,000) and major capital projects and lower projected investment income.*



Prior Year Budget Surplus/(Deficit)

This amount budgeted to this line is the actual 2019 non-PSAB budget surplus, which is was \$892,088 for 2019. This is attributable to budgeted versus actual minor capital and interest earned.

*Change from provisional: Amended to include 2019 current fund operational surplus of \$11,917.*

Tax Rates

For 2020, the estimated residential tax rate is \$9.14 per \$100,000 of assessment, compared to \$9.25 for 2019. That is a 1.20% or \$0.11 decrease over the prior year.

*Timeline for next steps or estimated completion date*

The final budget must be adopted, by Bylaw, no later than March 31, 2020.

**STRATEGIC PLAN AND RELATED POLICIES**

Presenting the Provisional Budget provides transparency and is aligned with the MOU between the Regional Hospital Districts and VCH.

**CONCLUSION**

The Regional Hospital District Board must prepare and adopt, by Bylaw, an annual budget prior to March 31 each year.

The 2020 final budget includes a projected operating surplus of \$709,658. This is offset by transfers to accumulated surplus (reserves) to fund future projects, debt repayments and a prior year budget surplus inclusive of minor equipment carry forward funding. The result is a balanced budget.

The estimated residential tax rate for 2020 is \$9.14 per \$100,000 of assessment, compared to \$9.25 for 2019. That is a 1.20% or \$0.11 decrease over the prior year.

Attachments:

1. SCRHD Draft Final Budget
2. October 31, 2019- SCRHD Staff Report-2020 Provisional Budget

Reviewed by:			
Manager		Finance	X – B. Wing
GM		Legislative	
CAO	X – D. McKinley	Other	

## SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

## 2020 Final Budget

	Budget 2020	Budget 2019	2019 - 2020		2019 Actual
			\$ Change	% Change	
<b>Revenue</b>					
Grants in lieu of taxes	\$ 316	\$ 750	\$ (434.00)	-57.87%	\$ 316
Tax requisitions	1,369,464	1,408,509	(39,045)	-2.77%	1,408,619
Investment income	30,000	50,000	(20,000)	-40.00%	83,211
Other revenue - MFA actuarial	301,985	281,033	20,952	7.46%	281,510
Other revenue - MFA debt reserve fund payout	-	4,977	(4,977)	-100.00%	5,060
<b>Total Revenue</b>	<b>\$ 1,701,765</b>	<b>\$ 1,745,269</b>	<b>\$ (43,504)</b>	<b>-2.49%</b>	<b>\$ 1,778,716</b>
<b>Expenses</b>					
Administration	28,961	59,787	(30,826)	-51.56%	59,787
Bank charges	150	150	-	0.00%	205
Other Expenditures - Sechelt Hospital Auxillary Grant	3,500	3,500	-	0.00%	3,500
Interest on long term debt	336,641	341,651	(5,010)	-1.47%	341,240
Minor equipment (<\$100,000)	1,120,171	930,861	189,310	20.34%	50,690
Capital equipment (>\$100,000)	922,000	173,618	748,382	431.05%	-
Major capital projects	-	-	-	n/a	-
<b>Total Expenses</b>	<b>\$ 2,411,423</b>	<b>\$ 1,509,567</b>	<b>\$ 901,856</b>	<b>59.74%</b>	<b>\$ 455,422</b>
<b>Operating Surplus/(Deficit)</b>	<b>\$ (709,658)</b>	<b>\$ 235,702</b>	<b>\$ (945,360)</b>		<b>\$ 1,323,294</b>
<b>Transfers and other</b>					
Repayment of long-term debt	(804,430)	(791,386)	(13,044)	1.65%	(791,386)
Transfers (to)/from capital equipment reserve fund	632,000	(126,382)	758,382	-600.07%	(307,536)
Transfers (to)/from major capital fund	(10,000)	(19,977)	9,977	-49.94%	(33,915)
Prior year budget surplus/(deficit)	892,088	702,043	190,045	27.07%	702,043
<b>Non-PSAB Budgeted Surplus/(Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>	<b>\$ 892,088</b>
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 9.14	\$ 9.25	\$ (0.11)	-1.20%	

## SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT

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**TO:** Sunshine Coast Regional Hospital District Board – October 31, 2019  
**AUTHOR:** Tina Perreault, General Manager, Corporate Services / Chief Financial Officer  
**SUBJECT:** 2020 PROVISIONAL BUDGET

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### RECOMMENDATION(S)

**THAT the report titled 2020 Provisional Budget be received;**

**AND THAT the 2020 Provisional Budget be adopted as presented.**

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### BACKGROUND

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

The final budget must be adopted on or before March 31 in each year.

### DISCUSSION

The Sunshine Coast Regional Hospital District (SCRHD) Draft Provisional Budget is attached for reference (Attachment A).

For 2020, the provisional budget includes a projected operating surplus of \$65,641 due to planned revenues exceeding planned expenses. An operating surplus is a Public Sector Accounting Board (PSAB) term that includes only items classified as revenue or expenses per Public Sector Accounting Standards.

The operating surplus is offset by other sources and uses of funds not classified as revenues and expenses such as debt principal repayments, transfers to/from reserve and prior year surpluses. These items are reflected in the transfers and other section of the budget and result in a balanced budget overall.

Details on individual budget line items are outlined below.

#### *Revenue*

#### Grants in Lieu of Taxes

Projected revenue has been maintained reduced from \$750 in 2019 to \$316 for 2020 to reflect actual revenue received in 2019.

Tax Requisition

The projected tax requisition has decreased by \$1,302 to \$1,407,207 compared to 2019. The table below summarizes the budgeted purpose for which tax requisition monies are collected:

<b>2020 Provisional Budget Tax Requisition Summary</b>	
<b>Purpose</b>	<b>Amount</b>
Administration and operating expenses, net of operating fund revenues	\$ 53,121
Principal and interest payments on long-term debt	839,086
Annual funding for minor equipment (< \$100,000)	240,000
Annual funding for capital equipment (> \$100,000)	275,000
<b>Total Tax Requisition</b>	<b>\$ 1,407,207</b>

Investment Income

Investment income is projected to be \$50,000 in 2020 which represents no change over 2019 based on actual investment earnings realized to date in 2019 and projected revenue in 2020. Income earned on the investment of capital equipment reserve fund and major capital project fund monies are transferred into the respective funds for allocation to future projects. Income earned on the investment of operating funds, budgeted at \$10,000 for 2020, are used to offset taxation.

Other revenue – Municipal Finance Authority (MFA) actuarial

The MFA actuarial adjustment is associated with the interest earned on sinking fund monies held by the MFA for future debt retirement. The adjustment is applied against the principal balance remaining on the SCRHD’s outstanding debt obligations so there is no cash inflow associated with this revenue. The actuarial adjustment for 2020 will increase by \$20,952 as a result of an increase in investment income due to an accumulating balance in the MFA administered sinking fund.

Other revenue – MFA debt reserve fund payout

This line represents the anticipated debt reserve fund payout on expiry of MFA long-term debenture issues. The MFA withholds 1% of any borrowing proceeds as a protection against loan default and returns those funds, with interest, to the borrower on expiry of the loan. There are no expiries scheduled in 2020. \$4,977 was budgeted here in 2019 in anticipation of MFA Issue 71 expiry in December 2019.

Due to the restricted nature of the funds, the SCRHD maintains an accounting policy of recording deposits to the debt reserve fund as an expense at the time of issue and as revenue when funds are paid out. On receipt of the payout, funds will be transferred to the major capital fund for use towards future projects.

*Expenses*

Administration, Bank Charges and Other Expenditures

These funds are budgeted to cover the reimbursement of administrative costs expensed through Regional District Function 118 (SCRHD Administration). Administrative costs consist mainly of staff wages, Director remuneration and audit fees.

Other expenditures include bank fees of approximately \$150 annually and an annual grant of \$3,500 to the Sechelt Hospital Auxiliary Thrift Store to offset landfill tipping fees.

Interest on Long Term Debt

Interest payments on long-term debt are fixed based on MFA amortization schedules. Interest payments for 2020 are \$5,010 lower than 2019 budget values due to the expiry of MFA Issue 71, and will total \$336,641.

Minor Equipment (< \$100,000)

Annual funding of \$240,000 is budgeted for minor equipment purchases valued at less than \$100,000. Vancouver Coastal Health (VCH) identifies and procures minor equipment purchases based on existing needs and priorities at the Sechelt Hospital and are reimbursed by the SCRHD upon submission of invoices. Any unused funding is carried forward for use in the following year.

Estimated funding available in 2019 is \$1,120,171, inclusive of an \$880,171 carryforward based on unused funding from prior years as at September 30, 2019.

Capital Equipment (>\$100,000)

Funding for capital equipment purchases valued at more than \$100,000 are approved by the SCRHD Board on a case by case basis when a request is received from VCH. Funding is cost shared, with the SCRHD portion set at 40% per the terms of the Memorandum of Understanding (MOU) between VCH and Regional Hospital Districts.

Annual funding from taxation is set at \$275,000 and is held in reserve until such time as the funding is required. A summary of the projected 2020 reserve fund balance and budgeted funding commitments is included in the table below:

<b>Capital Equipment (&gt;\$100,000) Reserve Fund Summary</b>	
Projected 2020 Opening Balance	\$ 1,801,130
Annual Funding Contribution	275,000
Available for projects in 2020	2,076,130
Less funding commitments:	
Closed loop medication system (Res. 21/15)	(89,618)
Washer decontaminator unit x 2 (Res. 27/16)	(84,000)
<b>Uncommitted balance</b>	<b>\$ 1,902,512</b>

Major Capital Projects

Funding for major capital projects are also approved by the SCRHD Board on a case by case basis when a request is received from VCH. Funding is cost shared with the SCRHD portion set at 40% per the terms of the MOU.

Funding for major capital projects is generally secured through long-term borrowing with any surplus monies and interest earned held in a separate fund for use towards future major capital projects. The projected 2020 major capital fund balance available for use towards projects is anticipated to be \$1,093,629. There are no planned commitments or contributions to the fund in 2020 aside from investment earnings.

*Transfers and Other*

This category comprises other sources and uses of funds that are not classified as revenue or expenses per Public Sector Accounting Standards. These items reflect the allocation of financial equity required to offset the budgeted operating surplus or deficit and balance the budget to zero.

Repayment of long-term debt

Repayment of long-term debt is comprised of cash repayments and non-cash MFA actuarial adjustments. These amounts are fixed based on MFA amortization schedules and reflect the total repayment of long-term debt recorded on the financial statements.

Cash repayments for 2020 are \$7,909 less than 2019 budget values and will total \$502,445. The reduction is due to the expiry of MFA Issue 71.

For 2020, the non-cash actuarial adjustment is budgeted at \$301,985 which is a \$20,952 increase over the actual 2019 value. This is reflective of the increase in investment income due to an accumulating balance in the MFA administered sinking fund, net of reduced income due to the expiry of MFA Issue 71.

Transfer (to)/from Capital Equipment Reserve and Major Capital Fund

Amounts budgeted to these lines consist of committed funding for projects to be transferred out of the funds as project expenditures are incurred, net of annual funding, investment income and MFA debt reserve fund payouts for transfer into the fund.

Prior Year Budget Surplus/(Deficit)

This amount budgeted to this line is the projected 2019 operating fund surplus. The value included in the provisional budget is attributable to the projected carry forward of minor equipment funding.

*Timeline for next steps or estimated completion date*

The provisional and final budgets must be adopted by December 31, 2019 and March 31, 2020 respectively.

**STRATEGIC PLAN AND RELATED POLICIES**

Presenting the Provisional Budget provides transparency and is aligned with the MOU between the Regional Hospital Districts and VCH.

**CONCLUSION**

The Regional Hospital District Board must prepare and adopt a provisional budget for the following calendar year, prior to December 31 each year.

The 2020 provisional budget includes a projected operating surplus of \$65,641. This is offset by transfers to accumulated surplus (reserves) to fund future planned expenses, debt principal repayments and the prior year operating surplus. The result is a balanced budget.

Reviewed by:			
Manager		Finance	
GM		Legislative	
Interim CAO	X – M. Brown	Other	

**Attachment to October 2019 Staff Report**  
**SUNSHINE COAST REGIONAL HOSPITAL DISTRICT**

**2020 Provisional Budget**

	2019 - 2020			
	Budget 2020	Budget 2019	\$ Change	% Change
<b>Revenue</b>				
Grants in lieu of taxes	\$ 316	\$ 750	\$ (434.00)	-57.87%
Tax requisitions	1,407,207	1,408,509	(1,302)	-0.09%
Investment income	50,000	50,000	-	0.00%
Other revenue - MFA actuarial	301,985	281,033	20,952	7.46%
Other revenue - MFA debt reserve fund payout	-	4,977	(4,977)	-100.00%
<b>Total Revenue</b>	<b>\$ 1,759,508</b>	<b>\$ 1,745,269</b>	<b>\$ 14,239</b>	<b>0.82%</b>
<b>Expenses</b>				
Administration	59,787	59,787	-	0.00%
Bank charges	150	150	-	0.00%
Other Expenditures - Sechelt Hospital Auxillary Grant	3,500	3,500	-	0.00%
Interest on long term debt	336,641	341,651	(5,010)	-1.47%
Minor equipment (<\$100,000)	1,120,171	930,861	189,310	20.34%
Capital equipment (>\$100,000)	173,618	173,618	-	0.00%
Major capital projects	-	-	-	n/a
<b>Total Expenses</b>	<b>\$ 1,693,867</b>	<b>\$ 1,509,567</b>	<b>\$ 184,300</b>	<b>12.21%</b>
<b>Operating Surplus/(Deficit)</b>	<b>\$ 65,641</b>	<b>\$ 235,702</b>	<b>\$ (170,061)</b>	
<b>Transfers and other</b>				
Repayment of long-term debt	(804,430)	(791,386)	(13,044)	1.65%
Transfers (to)/from capital equipment reserve fund	(126,382)	(126,382)	-	0.00%
Transfers (to)/from major capital fund	(15,000)	(19,977)	4,977	-24.91%
Prior year budget surplus/(deficit)	880,171	702,043	178,128	25.37%
<b>Non-PSAB Budgeted Surplus/(Deficit)</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>n/a</b>
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 9.24	\$ 9.25	\$ (0.01)	-0.09%

**Debt Payments**

	2019	2020	2021	2022	2023	2024
<b>Existing Debt - Prior to Hospital Expansion Project</b>						
Principal	7,909	-	-	-	-	-
Interest	5,010	-	-	-	-	-
Annual Payment	12,919	-	-	-	-	-
<b>Hospital Expansion - 14.7mil borrowed in 07</b>						
Principal	502,445	502,445	502,445	502,445	502,445	502,445
Interest	336,641	336,641	336,641	336,641	336,641	336,641
Total Annual Payment	839,086	839,086	839,086	839,086	839,086	839,086
<b>Total Annual Debt Payment Costs</b>	<b>852,004</b>	<b>839,086</b>	<b>839,086</b>	<b>839,086</b>	<b>839,086</b>	<b>839,086</b>



**SUNSHINE COAST REGIONAL HOSPITAL DISTRICT**

**BYLAW NO. 89**

A bylaw to adopt the Annual Budget for the year 2020

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The Board of the Sunshine Coast Regional Hospital District in open meeting assembled enacts as follows:

1. This bylaw may be cited for all purposes as the *Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 89, 2020*.
2. Schedule "1" attached hereto, and forming part of this bylaw, is hereby adopted as the Annual Budget for the Sunshine Coast Regional Hospital District for the fiscal year ending December 31, 2020.

READ A FIRST TIME                      this    26<sup>th</sup>    day of        March, 2020

READ A SECOND TIME                    this    26<sup>th</sup>    day of        March, 2020

READ A THIRD TIME                     this    26<sup>th</sup>    day of        March, 2020

ADOPTED                                    this    26<sup>th</sup>    day of        March, 2020

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
CHAIR

## SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

## 2020 Final Budget

	Budget 2020	Budget 2019	2019 - 2020		2019 Actual
			\$ Change	% Change	
<b>Revenue</b>					
Grants in lieu of taxes	\$ 316	\$ 750	\$ (434.00)	-57.87%	\$ 316
Tax requisitions	1,369,464	1,408,509	(39,045)	-2.77%	1,408,619
Investment income	30,000	50,000	(20,000)	-40.00%	83,211
Other revenue - MFA actuarial	301,985	281,033	20,952	7.46%	281,510
Other revenue - MFA debt reserve fund payout	-	4,977	(4,977)	-100.00%	5,060
<b>Total Revenue</b>	<b>\$ 1,701,765</b>	<b>\$ 1,745,269</b>	<b>\$ (43,504)</b>	<b>-2.49%</b>	<b>\$ 1,778,716</b>
<b>Expenses</b>					
Administration	28,961	59,787	(30,826)	-51.56%	59,787
Bank charges	150	150	-	0.00%	205
Other Expenditures - Sechelt Hospital Auxillary Grant	3,500	3,500	-	0.00%	3,500
Interest on long term debt	336,641	341,651	(5,010)	-1.47%	341,240
Minor equipment (<\$100,000)	1,120,171	930,861	189,310	20.34%	50,690
Capital equipment (>\$100,000)	922,000	173,618	748,382	431.05%	-
Major capital projects	-	-	-	n/a	-
<b>Total Expenses</b>	<b>\$ 2,411,423</b>	<b>\$ 1,509,567</b>	<b>\$ 901,856</b>	<b>59.74%</b>	<b>\$ 455,422</b>
<b>Operating Surplus/(Deficit)</b>	<b>\$ (709,658)</b>	<b>\$ 235,702</b>	<b>\$ (945,360)</b>		<b>\$ 1,323,294</b>
<b>Transfers and other</b>					
Repayment of long-term debt	(804,430)	(791,386)	(13,044)	1.65%	(791,386)
Transfers (to)/from capital equipment reserve fund	632,000	(126,382)	758,382	-600.07%	(307,536)
Transfers (to)/from major capital fund	(10,000)	(19,977)	9,977	-49.94%	(33,915)
Prior year budget surplus/(deficit)	892,088	702,043	190,045	27.07%	702,043
<b>Non-PSAB Budgeted Surplus/(Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>	<b>\$ 892,088</b>
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 9.14	\$ 9.25	\$ (0.11)	-1.20%	