



**SUNSHINE COAST REGIONAL HOSPITAL DISTRICT
BOARD MEETING**



**HELD ELECTRONICALLY IN ACCORDANCE WITH MINISTERIAL ORDER M192
AND TRANSMITTED VIA THE SUNSHINE COAST REGIONAL DISTRICT
BOARDROOM AT 1975 FIELD ROAD, SECHELT, B.C.**

Thursday, March 25, 2021

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 28, 2021

Annex A
Pages 1-3

BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS

PRESENTATIONS and DELEGATIONS

REPORTS

3. 2021 Sunshine Coast Regional Hospital District Final Budget
General Manager, Corporate Services / Chief Financial Officer

Annex B
pp. 4-11

COMMUNICATIONS

MOTIONS

BYLAWS

4. *Sunshine Coast Regional Hospital District Annual Budget Bylaw No.90, 2021*
- first, second, third readings and adoption

Annex C
pp. 12-13

NEW BUSINESS

IN CAMERA

ADJOURNMENT



SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

January 28, 2021

MINUTES OF THE MEETING OF THE BOARD OF THE SUNSHINE COAST REGIONAL HOSPITAL DISTRICT MEETING HELD ELECTRONICALLY IN ACCORDANCE WITH MINISTERIAL ORDER M192 AND TRANSMITTED VIA THE BOARDROOM AT 1975 FIELD ROAD, SECHELT, B.C.

PRESENT*:	Chair	Electoral Area B	L. Pratt
	Directors	Electoral Area E	D. McMahon
		Electoral Area A	L. Lee
		Electoral Area D	A. Tize
		Electoral Area F	M. Hiltz
		Town of Gibsons	B. Beamish
		District of Sechelt	D. Siegers
		District of Sechelt	A. Toth

VCH:

ALSO PRESENT*:	Chief Administrative Officer	D. McKinley
	G.M., Corporate Services / Chief Financial Officer	T. Perreault
	Corporate Officer	S. Reid
	Administrative Assistant / Recorder	T. Crosby
	Media	1
	Public	0

**Directors, staff, and other attendees present for the meeting participated by means of electronic or other communication facilities in accordance with Sunshine Coast Regional District Board Procedures Bylaw 717.*

CALL TO ORDER

The Corporate Officer assumed the Chair and called the Inaugural Board meeting to order at 9:05 a.m.

ELECTION OF CHAIR

The Corporate Officer called for nominations for the position of Chair of the Regional Hospital District Board for 2021.

Director Toth nominated Director Siegers. Director Siegers 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 Siegers was declared Chair of the Sunshine Coast Regional Hospital District Board by acclamation for 2021.

ELECTION OF VICE CHAIR

Director Siegers assumed the Chair. Chair Siegers called for nominations for the position of Vice Chair of the Regional Hospital District Board for 2021.

Director McMahon nominated Director Beamish. Director Beamish 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 Beamish was declared Vice Chair of the Sunshine Coast Regional Hospital District Board by acclamation for 2021.

AGENDA

It was moved and seconded

01/21

THAT the agenda for the meeting be adopted as presented.

CARRIED

MINUTES

Minutes

It was moved and seconded

02/21

THAT the Sunshine Coast Regional Hospital District Board Meeting Minutes of October 22, 2020 be adopted as circulated.

CARRIED

REPORTS

Audit Planning

It was moved and seconded

03/21

THAT the General Manager, Corporate Services / Chief Financial Officer's report titled 2020 BDO Audit Planning Report 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, 2020 be received.

CARRIED

ADJOURNMENT

It was moved and seconded

04/21

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

CARRIED

The meeting adjourned at 9:14 a.m.

Certified correct _____
Secretary

Confirmed this _____ day of _____

Chair

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT

TO: Sunshine Coast Regional Hospital District Board – March 25, 2021
AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer
SUBJECT: **2021 SUNSHINE COAST REGIONAL HOSPITAL DISTRICT (SCRHD) FINAL BUDGET**

RECOMMENDATION(S)

THAT the report titled 2021 Sunshine Coast Regional Hospital District (SCRHD) Final Budget be received;

AND THAT the 2021 SCRHD Final Budget be adopted as presented.

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 resolutions were passed at the October 22, 2020 SCRHD Board meeting:

Provisional Budget **It was moved and seconded**

26/20 THAT the report titled 2021 Provisional Budget be received.

VCH Request **It was moved and seconded**

27/20 THAT Sunshine Coast Regional Hospital Board meeting approve 40% cost share funding in the amount of \$0.309M for the following:

- Additional funds required for the Motor Control Centre, Transfer Switch and Emergency Power Generator Project with a new total project cost estimate of \$1.602M (\$0.072M additional funds - 40% \$0.029M);
- Replacing Heat Exchangers for Domestic Hot Water (South Wing) with a total project cost estimate of \$0.100M (40% \$0.040M); and
- Window Replacements at Sechelt Hospital with a total project cost estimate of \$0.600M (40% \$0.240M);

AND THAT the cost share request be funded through reserves;

AND THAT the 2021 Provisional Budget be adjusted accordingly

AND FURTHER THAT the 2021 Provisional Budget be adopted as amended.

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). 2020 Actuals have also been included and will be finalized as part of the approval of the draft audited Financial Statements which will be presented to the Board in April 2021.

The 2021 budget aligns with Public Sector Accounting Standards (PSAS) financial statement reporting standards presentation.

For 2021, the final budget includes a projected operating deficit of (\$1,119,670) due to planned expenses exceeding planned revenues. The operating deficit 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 minor equipment purchases 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 Final Provisional Budget is also attached for reference (Attachment B).

Revenue

Grants in Lieu of Taxes

Projected revenue has been reduced from \$316 in 2020 to \$214 for 2021 to reflect actual Grant in Lieu payments received in 2020.

Tax Requisition

The projected tax requisition has increased by \$5,502 to \$1,374,966 compared to \$1,369,464 in 2020. The table below summarizes the budgeted purpose for which tax requisition monies are collected:

2021 Final Budget Tax Requisition Summary	
Purpose	Amount
Administration and operating expenses, net of operating fund revenues	\$ 5,302
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	15,578
Total Tax Requisition	\$ 1,374,966

Change from provisional: decrease of 14,729 due to a \$30,307 decrease in Administration & operating expenses net of operating fund revenues which was partially offset by the inclusion of prior year surplus net of minor capital carryforward (15,578 in funding required in 2021 vs. reduction of \$11,917 in 2020).

Investment Income

Investment income has been adjusted up to \$64,000 for 2021 to reflect the prior year's actual investment income, which is an increase of \$34,000 over 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 \$15,000 for 2021, are used to offset taxation.

Change from provisional: Decrease of \$4,000 based on 2020 actuals and changing 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 2021.

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 \$30,307 due to lower than anticipated administration expense after factoring in actual salaries, wages & benefits.

Interest on Long Term Debt

Interest payments on long-term debt are fixed based on MFA amortization schedules. Interest payments for 2021 have not changed from 2020.

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 \$1,304,856, inclusive of an \$1,064,856 carryforward based on unused funding from prior years as at December 31, 2020. Since January \$180,315 has been invoiced from VCH toward the 2021 minor capital.

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:

Capital Equipment (>\$100,000) Reserve Fund Summary	
Projected 2020 Opening Balance	\$ 2,106,342
Annual Funding Contribution	275,000
Available for projects in 2020	2,381,342
Less funding commitments:	
Motor control centre, transfer switch and generator	641,000
3 Chillers	130,000
Oxygen system upgrade	180,000
Heat Exchangers	40,000
Window Replacement	240,000
Uncommitted balance	\$ 1,150,342

Change from provisional: Approval of new cost-share request from VCH totaling \$309,000 for increased funding for the Motor Control Centre, Heat Exchangers and Window Replacement at the Hospital.

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 \$1,135,038. There are no planned commitments or contributions to the fund in 2021 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 2021 are the same as 2020 and will total \$502,445. For 2021, the non-cash actuarial adjustment is budgeted at \$334,163 which is a \$32,178 increase over the actual 2020 value. This is reflective of the increase in investment income due to an accumulating balance in the MFA administered sinking fund.

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 \$313,000 to reflect increased funding commitments for capital equipment (>\$100,000) and decreased 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 2021, the estimated residential tax rate is \$8.97 per \$100,000 of assessment, compared to \$9.16 for 2020. That is a 2.15% or \$0.20 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, 2021.

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 2021 final budget includes a projected operating deficit of \$1,119,670. 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 2021 is \$8.97 per \$100,000 of assessment, compared to \$9.16 for 2020. That is a 2.15% or \$0.20 decrease over the prior year.

Attachments:

- A. SCRHD 2021 Draft Final Budget
- B. SCRHD 2021 Final Provisional Budget

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

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2021 Provisional Budget

	2020 - 2021			
	Budget 2021	Budget 2020	\$ Change	% Change
Revenue				
Grants in lieu of taxes	\$ 214	\$ 316	\$ (102.06)	-32.30%
Administration & Operating Expenses, net of operating fund revenues	\$ 35,609			
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 Operating Surplus, net of Minor Capital Carry Forward	\$ -			
Tax requisitions	1,389,695	1,369,464	20,231	1.48%
Investment income	68,000	30,000	38,000	126.67%
Other revenue - MFA actuarial	334,163	301,985	32,178	10.66%
Other revenue - MFA debt reserve fund payout	-	-	-	0.00%
Total Revenue	\$ 1,792,072	\$ 1,701,765	\$ 90,307	5.31%
Expenses				
Administration	47,173	28,961	18,212	62.88%
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	336,641	-	0.00%
Minor equipment (<\$100,000)	1,360,171	1,120,171	240,000	21.43%
Motor control centre, transfer switch and generator	641,000	612,000		
3 Chillers	130,000	130,000		
Oxygen system upgrade	180,000	180,000		
Heat Exchangers	40,000			
Window Replacement at Hospital	240,000			
Closed Loop Medication System (Res. 21/15)	-			
Washer Decontaminator Units x 2 (Res. 26/16)	-			
Capital equipment (>\$100,000)	1,231,000	922,000	309,000	33.51%
Major capital projects	-	-	-	n/a
Total Expenses	\$ 2,978,635	\$ 2,411,423	\$ 567,212	23.52%
Operating Surplus/(Deficit)	\$ (1,186,563)	\$ (709,658)	\$ (476,905)	
Transfers and other				
Repayment of long-term debt	(836,608)	(804,430)	(32,178)	4.00%
Transfers (to)/from capital equipment reserve fund	930,000	632,000	298,000	47.15%
Transfers (to)/from major capital fund	(27,000)	(10,000)	(17,000)	170.00%
Prior year budget surplus/(deficit)	1,120,171	892,088	228,083	25.57%
Non-PSAB Budgeted Surplus/(Deficit)	\$ -	\$ -	\$ -	n/a
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 9.30	\$ 9.16	\$ 0.14	1.48%

note: subject to revised construction schedule

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

Debt Payments

	2020	2021	2022	2023	2024
Hospital Expansion - 14.7mil borrowed in 07					
Principal	502,445	502,445	502,445	502,445	502,445
Interest	336,641	336,641	336,641	336,641	336,641
Total Annual Payment	839,086	839,086	839,086	839,086	839,086
Total Annual Debt Payment Costs	839,086	839,086	839,086	839,086	839,086

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2021 Final Budget

	Budget 2021	Budget 2020	2020 - 2021	
			\$ Change	% Change
Revenue				
Grants in lieu of taxes	\$ 214	\$ 316	\$ (102.06)	-32.30%
Administration & Operating Expenses, net of operating fund revenues	\$ 5,302			
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 Operating Surplus, net of Minor Capital Carry Forward	\$ 15,578			
Tax requisitions	1,374,966	1,369,464	5,502	0.40%
Current Fund	15,000			
Reserve Fund	22,000			
Capital Fund	27,000			
Investment income	64,000	30,000	34,000	113.33%
Other revenue - MFA actuarial	334,163	301,985	32,178	10.66%
Other revenue - MFA debt reserve fund payout	-	-	-	0.00%
Total Revenue	\$ 1,773,343	\$ 1,701,765	\$ 71,578	4.21%
Expenses				
Administration	16,866	28,961	(12,095)	-41.76%
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	336,641	-	0.00%
Minor equipment (<\$100,000)	1,304,856	1,120,171	184,685	16.49%
Capital equipment (>\$100,000)	1,231,000	922,000	309,000	33.51%
Major capital projects	-	-	-	n/a
Total Expenses	\$ 2,893,013	\$ 2,411,423	\$ 481,590	19.97%
Operating Surplus/(Deficit)	\$ (1,119,670)	\$ (709,658)	\$ (410,012)	
Transfers and other				
Repayment of long-term debt	(836,608)	(804,430)	(32,178)	4.00%
Transfers (to)/from unfunded accrued interest liability	-	-	-	n/a
Annual Funding	\$ (275,000)		(275,000)	
Projects	\$ 1,231,000		1,231,000	
Investment Income	\$ (22,000)		(22,000)	
Transfers (to)/from capital equipment reserve fund	934,000	632,000	302,000	47.78%
Transfers (to)/from major capital fund	(27,000)	(10,000)	(17,000)	170.00%
Prior year budget surplus/(deficit)	1,049,278	892,088	157,190	17.62%
Non-PSAB Budgeted Surplus/(Deficit)	\$ -	\$ -	\$ -	n/a
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 8.77	\$ 9.16	\$ (0.39)	-4.27%

note: subject to revised construction schedule

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

Debt Payments

	2020	2021	2022	2023	2024
Hospital Expansion - 14.7mil borrowed in 07					
Principal	502,445	502,445	502,445	502,445	502,445
Interest	336,641	336,641	336,641	336,641	336,641
Total Annual Payment	839,086	839,086	839,086	839,086	839,086
Total Annual Debt Payment Costs	839,086	839,086	839,086	839,086	839,086

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

BYLAW NO. 90

A bylaw to adopt the Annual Budget for the year 2021

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. 90, 2021*.
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, 2021.

READ A FIRST TIME this 25th day of March, 2021

READ A SECOND TIME this 25th day of March, 2021

READ A THIRD TIME this 25th day of March, 2021

ADOPTED this 25th day of March, 2021

SECRETARY

CHAIR

Schedule 1

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2021 Final Budget

	Budget 2021	Budget 2020	2020 - 2021	
			\$ Change	% Change
Revenue				
Grants in lieu of taxes	\$ 214	\$ 316	\$ (102.06)	-32.30%
Administration & Operating Expenses, net of operating fund revenues	\$ 5,302			
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 Operating Surplus, net of Minor Capital Carry Forward	\$ 15,578			
Tax requisitions	1,374,966	1,369,464	5,502	0.40%
Current Fund	15,000			
Reserve Fund	22,000			
Capital Fund	27,000			
Investment income	64,000	30,000	34,000	113.33%
Other revenue - MFA actuarial	334,163	301,985	32,178	10.66%
Other revenue - MFA debt reserve fund payout	-	-	-	0.00%
Total Revenue	\$ 1,773,343	\$ 1,701,765	\$ 71,578	4.21%
Expenses				
Administration	16,866	28,961	(12,095)	-41.76%
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	336,641	-	0.00%
Minor equipment (<\$100,000)	1,304,856	1,120,171	184,685	16.49%
Capital equipment (>\$100,000)	1,231,000	922,000	309,000	33.51%
Major capital projects	-	-	-	n/a
Total Expenses	\$ 2,893,013	\$ 2,411,423	\$ 481,590	19.97%
Operating Surplus/(Deficit)	\$ (1,119,670)	\$ (709,658)	\$ (410,012)	
Transfers and other				
Repayment of long-term debt	(836,608)	(804,430)	(32,178)	4.00%
Transfers (to)/from unfunded accrued interest liability	-	-	-	n/a
Annual Funding	\$ (275,000)		(275,000)	
Projects	\$ 1,231,000		1,231,000	
Investment Income	\$ (22,000)		(22,000)	
Transfers (to)/from capital equipment reserve fund	934,000	632,000	302,000	47.78%
Transfers (to)/from major capital fund	(27,000)	(10,000)	(17,000)	170.00%
Prior year budget surplus/(deficit)	1,049,278	892,088	157,190	17.62%
Non-PSAB Budgeted Surplus/(Deficit)	\$ -	\$ -	\$ -	n/a
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 8.77	\$ 9.16	\$ (0.39)	-4.27%

note: subject to revised construction schedule

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

Debt Payments

	2020	2021	2022	2023	2024
Hospital Expansion - 14.7mil borrowed in 07					
Principal	502,445	502,445	502,445	502,445	502,445
Interest	336,641	336,641	336,641	336,641	336,641
Total Annual Payment	839,086	839,086	839,086	839,086	839,086
Total Annual Debt Payment Costs	839,086	839,086	839,086	839,086	839,086