



**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 22, 2018

AGENDA

CALL TO ORDER 1:00 p.m.

AGENDA

1. Adoption of Agenda

MINUTES

2. Sunshine Coast Regional Hospital District Board Meeting Minutes of January 11, 2018

Annex A
Pages 1-3

BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS

PETITIONS and DELEGATIONS

COMMUNICATIONS

REPORTS

3. General Manager, Corporate Services / Chief Financial Officer – 2018 Sunshine Coast Regional Hospital District Final Budget

Annex B
pp. 4-9

MOTIONS

BYLAWS

4. *Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 87, 2018*
- first, second, third readings and adoption

Annex C
pp. 10-11

NEW BUSINESS

IN CAMERA

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”.

ADJOURNMENT



SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

January 11, 2018

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. Lewis M. Lebbell I. Winn J. Valeriotte D. Inkster B. Milne K. Julius
ALSO PRESENT:	Chief Administrative Officer	J. Loveys
	G.M., Corporate Services / Chief Financial Officer	T. Perreault
	Sr. Mgr., Administration and Legislative Services	A. Legault
	Administrative Assistant / Recorder	T. Crosby
	Media	1
Public	0	

CALL TO ORDER The Corporate Officer assumed the Chair and called the Inaugural Board meeting to order at 3:30 p.m.

ELECTION OF CHAIR The Corporate Officer called for nominations for the position of Chair of the Regional Hospital District Board for 2018.

Director Milne nominated Director Mauro. Director Mauro 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 Mauro was declared Chair of the Sunshine Coast Regional Hospital District Board by acclamation for 2018.

ELECTION OF VICE CHAIR

Director Mauro assumed the Chair. Chair Mauro called for nominations for the position of Vice Chair of the Regional Hospital District Board for 2018.

Director Julius nominated Director Nohr. Director Nohr 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 Nohr was declared Vice Chair of the Sunshine Coast Regional Hospital District Board by acclamation for 2018.

AGENDA

It was moved and seconded

01/18

THAT the agenda for the meeting be adopted as amended.

CARRIED

MINUTES

Minutes

It was moved and seconded

02/18

THAT the Sunshine Coast Regional Hospital District Board Meeting Minutes of November 29, 2017 be adopted as circulated.

CARRIED

NEW BUSINESS

Board Appointments

It was moved and seconded

03/18

THAT Directors Mauro, Nohr and Winn be appointed as representatives to the Sechelt Hospital Expansion Governance Committee and the Vancouver Coastal Health Sunshine Coast Governance Liaison Group.

CARRIED

ADJOURNMENT

It was moved and seconded

04/18

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

CARRIED

The meeting adjourned at 3:38 p.m.

Certified correct _____
Secretary

Confirmed this _____ day of _____

Chair

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT

TO: Sunshine Coast Regional Hospital District Board – March 22, 2018
AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer
SUBJECT: **2018 SUNSHINE COAST REGIONAL HOSPITAL DISTRICT (SCRHD) FINAL BUDGET**

RECOMMENDATION(S)

THAT the report titled 2018 Sunshine Coast Regional Hospital District (SCRHD) Final Budget be received;

AND THAT the 2018 SCRHD Budget be approved as presented.

BACKGROUND

The Sunshine Coast Regional Hospital District Board (SCRHD) passed the following resolution at the November 29, 2017 SCRHD Board meeting:

Provisional Budget **It was moved and seconded**

42/17 THAT the report titled 2018 Sunshine Coast Regional Hospital District (SCRHD) Provisional Budget be received;

AND THAT the SCRHD 2018 Provisional Budget be adopted as presented and attached to and form part of these minutes.

DISCUSSION

Attached is a copy of the Draft 2018 SCRHD Budget in preparation for adoption as well as the staff report that was received at the November 29, 2017 SCRHD Board meeting detailing the preliminary changes from 2017.

Additional changes since the 2018 Provisional Budget was adopted have resulted in a further decrease to the tax requisition of \$69,910. These changes include reduced administrative costs as a result of cost savings in 2017 (surplus) and a further reduction in interest expenses based on the actual interest rate reset on December 2, 2017 on the original borrowing for the Sechelt Hospital Expansion Project (MFA Debenture Issue 102).

In addition, the remaining carry forward funding contribution for the Sechelt Hospital Expansion Project has been reduced to \$152,713 based on final invoicing received to the end of 2017.

CONCLUSION

The Budget Bylaw is included in the agenda in preparation for adoption.

Attachments:

1. 2018 Draft Final SCRHD Budget
2. 2018 Provisional Budget Staff Report

Reviewed by:			
Manager		Finance	X-S. Zacharias
GM		Legislative	
CAO	X-J. Loveys	Other	

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2018 Budget

	2017 - 2018			
	Budget 2018	Budget 2017	\$ Change	% Change
REVENUE				
Tax Requisition	\$ 1,416,193	\$ 1,802,876	(386,683)	-21.45%
Grants in Lieu of Taxes	1,300	1,300	-	
Interest Revenues - Operating Funds	5,000	5,000	-	
Transfer from Sec 20 Reserves-Carry Over	631,894	631,894	-	0.00%
Surplus - Operating-Carry Over	599,821	652,125	(52,304)	-8.02%
Interest Revenue - On debenture investments	10,000	10,000	-	0.00%
TOTAL REVENUE	\$ 2,664,208	\$ 3,103,195	\$ (438,987)	-14.15%
EXPENDITURES				
Debt Payments				
- Principal	\$ 510,353	\$ 510,353	-	0.00%
- Interest	341,651	726,170	(384,519)	-52.95%
Admin expenses - S 17(2)	51,989	54,153	(2,164)	-4.00%
Other Expenditures - Grant Sechelt 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	599,821	652,125	(52,304)	
Additional Minor Capital Expenditures-Carry Over	631,894	631,894	-	
Additional Minor Capital Expenditures	-	-	-	
Transfer to Reserves	275,000	275,000	-	0.00%
Transfer to Approp. Capital Surplus	10,000	10,000	-	0.00%
TOTAL EXPENDITURES	\$ 2,664,208	\$ 3,103,195	\$ (438,987)	-14.15%
Surplus (deficit)	\$ -	\$ -		
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 10.42	\$ 15.26	\$ (4.85)	-31.75%

Major Capital Projects

Sechelt Hospital Expansion Project - \$46.053 million total budget

Project Cost	Prior Years Spent	2018	2019	2020	2021	2022	Total
VCH share (60%)	24,638,000						24,638,000
Ministry of Health & Sechelt Hospital Foundation	5,515,000						5,515,000
SCRHD share (40%)	15,900,000	152,713					16,052,713
Total Project cost	46,053,000	152,713	-	-	-	-	46,205,713
	100%	0%	0%				100.00%

note: subject to revised construction schedule

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

Debt Payments

	2017	2018	2019	2020	2021	2022
Existing Debt - Prior to Hospital Expansion Project						
Principal	7,909	7,909	7,909	-	-	-
Interest	5,010	5,010	5,010	-	-	-
Annual Payment	12,919	12,919	12,919	-	-	-
Hospital Expansion - 14.7mil borrowed in 07						
Principal	502,445	502,445	502,445	502,445	502,445	502,445
Interest	721,160	336,641	336,641	336,641	336,641	336,641
Total Annual Payment	1,223,605	839,086	839,086	839,086	839,086	839,086
Total Annual Debt Payment Costs	1,236,523	852,004	852,004	839,086	839,086	839,086

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT

TO: Sunshine Coast Regional Hospital District Board – November 29, 2017

AUTHOR: Tina Perreault, Chief Financial Officer

SUBJECT: 2018 SUNSHINE COAST REGIONAL HOSPITAL DISTRICT (SCRHD) PROVISIONAL BUDGET

RECOMMENDATION(S)

THAT the report titled 2018 Sunshine Coast Regional Hospital District (SCRHD) Provisional Budget be received;

AND THAT the SCHR D 2018 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.

DISCUSSION

The 2018 draft Sunshine Coast Regional Hospital District (SCRHD) Provisional Budget is attached for reference (Attachment A). The following tables show the five-year historical values for tax requisitions.

Table 1: Five-year historical values for tax requisition

	2018 Provisional	2017	2016	2015	2014
Tax Requisition	\$ 1,486,103	\$ 1,802,876	\$1,861,387	\$1,909,638	\$1,823,717
Change in dollars	(\$316,773)	(\$58,511)	(\$48,251)	\$85,921	(\$3,962)
% change over prior Year	(-17.57%)	(-3.14%)	(-2.53%)	4.71%	(-0.22%)

Taxation

Provisional taxation figures for 2018 show a decrease of \$316,773 or **-17.57%** over 2017 which is due to a pending rate reset on December 2, 2017 from the original 2007 borrowing for the Sechelt Hospital expansion project (MFA Debenture Issue 102). The reduced interest payments are offset by an increase in administrative expenses of \$37,822 based on the preliminary SCR D budget for function 118.

When the budget comes for final adoption in March 2018, the final amounts will be updated with revised assessment rates. The Provisional Budget is using 2017 roll assessment data to calculate the residential rate for taxation. The provisional residential rate is currently projected to decrease (-\$2.68) over 2017 per \$100,000 of assessed value.

General Budget

The 2017 Sunshine Coast Regional Hospital Administration budget (function 118) is projected to have a year-end surplus of approximately \$20,000. The final result will be incorporated and brought forward to the final SCRHD budget adoption in March 2018.

Included in 2018, are carry-forwards for unspent minor capital funds totaling \$729,698 (2016-\$652,125). Each year the SCRHD provides VCH with \$240,000 toward unrestricted minor capital which is included again in 2018. At the January 2017 SCRHD Board Inaugural meeting, Vancouver Coastal Health (VCH) presented their plan (Attachment B) for the unspent funds from 2014-2016 which was to be completed by their March 31, 2018 year-end. Staff requested an updated plan from VCH in preparation of the Provisional Budget which was not available at the time of this report. In 2015 the SCRHD also approved addition capital funding towards a closed loop medication unit (\$547,894) and in 2016 \$84,000 for two washer decontaminators which are still not purchased. Therefore, Staff recommend that if there isn't a clear plan provided from VCH ahead of the final 2018 SCRHD Budget adoption in March 2018, the accumulated uncommitted minor capital carry-forward funds be transferred to reserves versus included in the budget. The funds will still remain available for future VCH projects but would require a budget amendment and SCRHD approval. This is also consistent with the current SCRHD minor capital Policy.

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 early 2018, which will result in a reduction of interest earned on the debenture investment.

Debt

As previously stated in this report, the MFA debenture debt reset on the long-term issue for the Sechelt Hospital expansion project will result in a reduction in interest payments starting in 2018 resulting in a significant taxation reduction. The smaller debt payment which expires in 2019 is from a 1999 issue for roof and water pipe replacements which will further reduce the budget related to debt in that year.

Major Capital Projects

The Major Capital Projects section of the budget includes all the funding partner cost share and has been updated to reflect the revised budgeted of \$46.2 million.

Reserves

The SCRHD has funds set aside for minor capital funding requests from the health authority which are held in reserves. A five year summary of the funds is provided below.

	2017	2018	2019	2020	2021
Item	Amount	Amount	Amount	Amount	Amount
Opening balance	\$ 1,153,438	\$ 796,544	\$ 1,071,544	\$ 1,346,544	\$ 1,621,544
Contribution	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000
2016 Carry-Forward (closed loop medication unit & washer decontaminators)	(631,894)	0	0	0	0
VCH Capital Request (additional)	0		0	0	0
Closing Balance					
In Reserve	\$ 796,544	\$ 1,071,544	\$ 1,346,544	\$ 1,621,544	\$ 1,896,544

If the unused accumulated uncommitted minor capital carry-forward funds were transferred to reserves, these balances would also increase.

Due to the delays in the Sechelt Hospital redevelopment project, investment funds grew past the SCRHD’s funding commitment of \$16,052,713 and have generated surplus funds totaling \$851,779 to date. A future staff report will be presented to the SCRHD on how these funds could be used once the project is completed.

STRATEGIC PLAN AND RELATED POLICIES

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

CONCLUSION

The 2018 SCRHD Provisional Budget is lower than 2017, which is mainly the result of the reduction in interest payments on long-term debt. Provisional taxation figures for 2018 show a decrease of \$316,773 or **-17.57%** over 2017.

Staff continue to work with VCH on the minor capital plan with the target of providing more clarity to the SCRHD Board on the carry-forward funds prior to the final 2018 Budget adoption. The major Sechelt Hospital expansion project is scheduled to complete in early 2018 which will result in reduced interest payments and a future decision on surplus project funds.

Overall, the SCRHD is in a favorable financial position with modest reserve balances and continued reduction of debt. Therefore, it is recommended that the SCRHD 2018 Provisional Budget be adopted as presented.

Attachments:

1. SCRHD 2018 Provisional Budget
2. VCH-January 2017 Minor Capital

Reviewed by:	
CFO/Finance	X-T. Perreault
Legislative	
CAO	X-J. Loveys

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2018 Provisional Budget

	2017 - 2018			
	Budget 2018	Budget 2017	\$ Change	% Change
REVENUE				
Tax Requisition	\$ 1,486,103	\$ 1,802,876	(316,773)	-17.57%
Grants in Lieu of Taxes	1,300	1,300	-	
Interest Revenues - Operating Funds	5,000	5,000	-	
Transfer from Sec 20 Reserves-Carry Over	631,894	631,894	-	0.00%
Surplus - Operating-Carry Over	729,698	652,125	77,573	11.90%
Interest Revenue - On debenture investments	10,000	10,000	-	0.00%
TOTAL REVENUE	\$ 2,863,995	\$ 3,103,195	\$ (239,200)	-7.71%
EXPENDITURES				
Debt Payments				
- Principal	\$ 510,353	\$ 510,353	-	0.00%
- Interest	371,575	726,170	(354,595)	-48.83%
Admin expenses - S 17(2)	91,975	54,153	37,822	69.84%
Other Expenditures - Grant Sechelt 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	729,698	652,125	77,573	
Additional Minor Capital Expenditures-Carry Over	631,894	631,894	-	
Additional Minor Capital Expenditures	-	-	-	
Transfer to Reserves	275,000	275,000	-	0.00%
Transfer to Approp. Capital Surplus	10,000	10,000	-	0.00%
TOTAL EXPENDITURES	\$ 2,863,995	\$ 3,103,195	\$ (239,200)	-7.71%
Surplus (deficit)	\$ -	\$ -		
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 12.58	\$ 15.26	\$ (2.68)	-17.57%

Major Capital Projects

Sechelt Hospital Expansion Project - \$44.150 million total budget

Project Cost	Prior Years Spent	2018	2019	2020	2021	2022	Total
VCH share (60%)	24,638,000						24,638,000
Ministry of Health & Sechelt Hospital Foundation	5,515,000						5,515,000
SCRHD share (40%)	15,164,601	888,112					16,052,713
Total Project cost	45,317,601	888,112	-	-	-	-	46,205,713
	98%	2%	0%				100.00%

note: subject to revised construction schedule

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

Debt Payments

	2017	2018	2019	2020	2021	2022
Existing Debt - Prior to Hospital Expansion Project						
Principal	7,909	7,909	7,909	-	-	-
Interest	5,010	5,010	5,010	-	-	-
Annual Payment	12,919	12,919	12,919	-	-	-
Hospital Expansion - 14.7mil borrowed in 07						
Principal	502,445	502,445	502,445	502,445	502,445	502,445
Interest	721,160	366,565	366,565	366,565	366,565	366,565
Total Annual Payment	1,223,605	869,009	869,009	869,009	869,009	869,009
Total Annual Debt Payment Costs	1,236,523	881,928	881,928	869,009	869,009	869,009

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

BYLAW NO. 87

A bylaw to adopt the Annual Budget for the year 2018

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. 87, 2018*.
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, 2018.

READ A FIRST TIME this 22nd day of March, 2018

READ A SECOND TIME this 22nd day of March, 2018

READ A THIRD TIME this 22nd day of March, 2018

ADOPTED this 22nd day of March, 2018

SECRETARY

CHAIR

Schedule 1

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2018 Budget

	2017 - 2018			
	Budget 2018	Budget 2017	\$ Change	% Change
REVENUE				
Tax Requisition	\$ 1,416,193	\$ 1,802,876	(386,683)	-21.45%
Grants in Lieu of Taxes	1,300	1,300	-	
Interest Revenues - Operating Funds	5,000	5,000	-	
Transfer from Sec 20 Reserves-Carry Over	631,894	631,894	-	0.00%
Surplus - Operating-Carry Over	599,821	652,125	(52,304)	-8.02%
Interest Revenue - On debenture investments	10,000	10,000	-	0.00%
TOTAL REVENUE	\$ 2,664,208	\$ 3,103,195	\$ (438,987)	-14.15%
EXPENDITURES				
Debt Payments				
- Principal	\$ 510,353	\$ 510,353	-	0.00%
- Interest	341,651	726,170	(384,519)	-52.95%
Admin expenses - S 17(2)	51,989	54,153	(2,164)	-4.00%
Other Expenditures - Grant Sechelt 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	599,821	652,125	(52,304)	
Additional Minor Capital Expenditures-Carry Over	631,894	631,894	-	
Additional Minor Capital Expenditures	-	-	-	
Transfer to Reserves	275,000	275,000	-	0.00%
Transfer to Approp. Capital Surplus	10,000	10,000	-	0.00%
TOTAL EXPENDITURES	\$ 2,664,208	\$ 3,103,195	\$ (438,987)	-14.15%
Surplus (deficit)	\$ -	\$ -		
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 10.42	\$ 15.26	\$ (4.85)	-31.75%

Major Capital Projects

Sechelt Hospital Expansion Project - \$46.053 million total budget

Project Cost	Prior Years Spent	2018	2019	2020	2021	2022	Total
VCH share (60%)	24,638,000						24,638,000
Ministry of Health & Sechelt Hospital Foundation	5,515,000						5,515,000
SCRHD share (40%)	15,900,000	152,713					16,052,713
Total Project cost	46,053,000	152,713	-	-	-	-	46,205,713
	100%	0%	0%				100.00%

note: subject to revised construction schedule

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

Debt Payments

	2017	2018	2019	2020	2021	2022
Existing Debt - Prior to Hospital Expansion Project						
Principal	7,909	7,909	7,909	-	-	-
Interest	5,010	5,010	5,010	-	-	-
Annual Payment	12,919	12,919	12,919	-	-	-
Hospital Expansion - 14.7mil borrowed in 07						
Principal	502,445	502,445	502,445	502,445	502,445	502,445
Interest	721,160	336,641	336,641	336,641	336,641	336,641
Total Annual Payment	1,223,605	839,086	839,086	839,086	839,086	839,086
Total Annual Debt Payment Costs	1,236,523	852,004	852,004	839,086	839,086	839,086