



## 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, October 11, 2018

### AGENDA

**CALL TO ORDER** To follow SCRD Board meeting.

#### AGENDA

1. Adoption of Agenda

#### MINUTES

2. Sunshine Coast Regional Hospital District Board Meeting Minutes of July 26, 2018

Annex A  
Pages 1-3

#### BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS

#### PETITIONS and DELEGATIONS

#### REPORTS

3. General Manager, Corporate Services / Chief Financial Officer  
2019 Provisional Budget
4. General Manager, Corporate Services / Chief Financial Officer  
Directors' Remuneration – 1/3 Tax Exemption

Annex B  
pp. 4-9

Annex C  
pp. 10-13

#### COMMUNICATIONS

5. Sunshine Coast Healthcare Auxiliary  
Regarding: Disposal Invoices for Sunshine Coast Regional  
Hospital District Grant

Annex D  
p. 14

#### MOTIONS

#### BYLAWS

6. *Sunshine Coast Regional Hospital District Directors'  
Remuneration Amendment Bylaw No. 72.6, 2018  
- first, second, third readings and adoption*

Annex E  
pp. 15-16

#### NEW BUSINESS

#### IN CAMERA

#### ADJOURNMENT



SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

July 26, 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.

<b>PRESENT:</b>	Chair	F. Mauro
	Directors	G. Nohr M. Lebbell I. Winn J. Valeriotte D. Wright A. Lutes (Alt.) L. Lewis
<b>ALSO PRESENT:</b>	Chief Administrative Officer	J. Loveys
	GM, Corporate Services / Chief Financial Officer	T. Perreault
	Sr. Mgr., Administration and Legislative Services	A. Legault
	Administrative Assistant / Recorder	T. Crosby
	Media	0
	Public	0
<b>VCH:</b>	Regional Director, Capital Planning	J. Marais
	Director, Sunshine Coast	L. Tindall

**CALL TO ORDER** 3:00 p.m.

**AGENDA** **It was moved and seconded**

18/18 THAT the agenda for the meeting be adopted as presented.

**CARRIED**

**MINUTES**

Minutes **It was moved and seconded**

19/18 THAT the Sunshine Coast Regional Hospital District Board meeting minutes of April 26, 2018 be adopted as circulated.

**CARRIED**



*The Board moved In-Camera at 4:02 p.m.*

**IN CAMERA**

**It was moved and seconded**

23/18

THAT the public be excluded from attendance at the meeting in accordance with Section 90(1) (k) of the *Community Charter* - "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.

**CARRIED**

*The Board moved out of In-Camera at 4:05 p.m.*

**ADJOURNMENT**

**It was moved and seconded**

24/18

THAT the Regular Board meeting be adjourned.

**CARRIED**

The meeting adjourned at 4:05 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 – October 11, 2018  
**AUTHOR:** Tina Perreault, General Manager, Corporate Services / Chief Financial Officer  
**SUBJECT:** 2019 PROVISIONAL BUDGET

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### **RECOMMENDATION(S)**

**THAT the report titled 2019 Provisional Budget be received;**

**AND THAT the 2019 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).

The 2019 budget has been reformatted to align with Public Sector Accounting Board (PSAB) financial statement reporting standards.

For 2019, the provisional budget includes a projected operating deficit of \$374,105 due to planned expenditures exceeding planned revenues. An operating deficit is a PSAB term and is expected when funding for the current year's projects has been accumulated in prior years. This funding is reflected in the transfers and other section of the budget and results in a balanced budget overall.

Details on individual budget line items are outlined below.

#### *Revenue*

#### Grants in Lieu of Taxes

Projected revenue has been reduced from \$1,300 in 2018 to \$750 for 2019 to reflect actual revenue received in 2018.

Tax Requisition

The projected tax requisition has decreased by \$4,300 to \$1,411,893 compared to 2018. The table below summarizes the budgeted purpose for which tax requisition monies are collected:

<b>2019 Provisional Budget Tax Requisition Summary</b>	
<b>Purpose</b>	<b>Amount</b>
Administration and operating expenses, net of operating fund revenues	\$ 44,889
Principal and interest payments on long-term debt	852,004
Annual funding for minor equipment (< \$100,000)	240,000
Annual funding for capital equipment (> \$100,000)	275,000
<b>Total Tax Requisition</b>	<b>\$ 1,411,893</b>

Investment Income

Investment income is projected to be \$40,000 in 2019, an increase of \$25,000 over 2018 based on actual investment earnings realized and projected revenue in 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 \$10,000 for 2019, are used to offset taxation.

Other revenue – MFA actuarial

This line has been added to the 2019 budget to align with PSAB financial statement reporting standards. 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

This line has been added to the 2019 budget to account for the anticipated debt reserve fund payout on expiry of MFA long-term debenture issue 71 in December 2019. 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.

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 2019 are consistent with 2018 budget values and will total \$341,651.

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 \$930,861, inclusive of a \$690,861 carryforward based on unused funding from prior years as at September 30, 2018.

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 2019 reserve fund balance and budgeted funding commitments is included in the table below:

<b>Capital Equipment (&gt;\$100,000) Reserve Fund Summary</b>	
Projected 2019 Opening Balance	\$ 1,680,000
Annual Funding Contribution	275,000
Available for projects in 2019	1,970,000
Less funding commitments:	
Closed loop medication system (Res. 21/15)	(547,894)
Washer decontaminator unit x 2 (Res. 27/16)	(84,000)
<b>Uncommitted balance</b>	<b>\$ 1,338,106</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. A summary of the projected 2019 major capital fund balance and budgeted funding commitments is detailed in the table below:

<b>Major Capital Project Fund Summary</b>	
Projected 2019 Opening Balance	\$ 1,076,000
Anticipated debt reserve fund payout (Dec. 19)	4,977
Less funding commitments:	
Sechelt hospital expansion	152,713
<b>Uncommitted balance</b>	<b>\$ 928,264</b>

*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 2019 are consistent with 2018 budget values and will total \$510,353.

The 2018 actuarial adjustment of \$250,508 was not included in the 2018 budget. For 2019, the adjustment is budgeted at \$281,033 which is a \$30,525 increase over the actual 2018 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.

Prior Year Budget Surplus/(Deficit)

This amount budgeted to this line is the projected 2018 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, 2018 and March 31, 2019 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 2019 budget has been reformatted to align with PSAB financial statement reporting standards.

The 2019 provisional budget includes a projected operating deficit of \$374,105. This is offset by transfers from accumulated surplus (reserves) to fund planned expenses, net of debt repayments. The result is a balanced budget.

Reviewed by:			
Manager		Finance	X-B. Wing
GM		Legislative	
CAO	X – J. Loveys	Other	

## SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

## 2019 Provisional Budget

	2018 - 2019			
	Budget 2019	Budget 2018	\$ Change	% Change
<b>Revenue</b>				
Grants in lieu of taxes	\$ 750	\$ 1,300	(550)	-42.31%
Tax requisitions	1,411,893	1,416,193	(4,300)	-0.30%
Investment income	40,000	15,000	25,000	166.67%
Other revenue - MFA actuarial	281,033	-	281,033	n/a
Other revenue - MFA debt reserve fund payout	4,977	-	4,977	n/a
<b>Total Revenue</b>	<b>1,738,653</b>	<b>1,432,493</b>	<b>\$ 306,160</b>	<b>21.37%</b>
<b>Expenses</b>				
Administration	51,989	51,989	-	0.00%
Bank charges	150	-	150	n/a
Other Expenditures - Sechelt Hospital Auxillary Grant	3,500	3,500	-	0.00%
Interest on long term debt	341,651	341,651	-	0.00%
Minor equipment (<\$100,000)	930,861	839,821	91,040	10.84%
Capital equipment (>\$100,000)	631,894	631,894	-	0.00%
Major capital projects	152,713	152,713	-	0.00%
<b>Total Expenses</b>	<b>2,112,758</b>	<b>2,021,568</b>	<b>\$ 91,190</b>	<b>4.51%</b>
<b>Operating Surplus/(Deficit)</b>	<b>(374,105)</b>	<b>(589,075)</b>		
<b>Transfers and other</b>				
Repayment of long-term debt	(791,386)	(510,353)	(281,033)	55.07%
Transfers (to)/from capital equipment reserve fund	341,894	346,894	(5,000)	-1.44%
Transfers (to)/from major capital fund	132,736	152,713	(19,977)	-13.08%
Prior year budget surplus/(deficit)	690,861	599,821	91,040	15.18%
<b>Non-PSAB Budgeted Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>

## Major Capital Projects

## Sechelt Hospital Expansion Project - \$46.206 million total budget

Project Cost	Prior Years	2019	2020	2021	2022	2023	Total
	Spent						
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

	2018	2019	2020	2021	2022	2023
<b>Existing Debt - Prior to Hospital Expansion Project</b>						
Principal	7,909	7,909	-	-	-	-
Interest	5,010	5,010	-	-	-	-
Annual Payment	12,919	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>852,004</b>	<b>839,086</b>	<b>839,086</b>	<b>839,086</b>	<b>839,086</b>

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

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**TO:** Sunshine Coast Regional Hospital District – October 11, 2018

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

**SUBJECT:** DIRECTORS' REMUNERATION - 1/3 TAX EXEMPTION

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### **RECOMMENDATION(S)**

**THAT the report titled Directors' Remuneration - 1/3 Tax Exemption be received;**

**AND THAT Directors' remuneration be increased to offset the loss of the 1/3 tax exemption, effective January 2019;**

**AND FURTHER THAT Bylaw 72.6, 2018 proceed with three readings and adoption at the October 11, 2018 Sunshine Coast Regional Hospital District Board Meeting.**

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### **BACKGROUND**

In June 2018 the Sunshine Coast Regional District (SCRD) Board approved an increase to offset the loss of tax exemption on 1/3 of elected official remuneration, which will be effective January 2019. The SCRD Board Remuneration Bylaw (626) reflecting the change is anticipated to be adopted on October 11, 2018.

The purpose of this report is to recommend implementing the same change for the Sunshine Coast Regional Hospital District (SCRHD) Board remuneration and proceed with amending the Bylaw.

### **DISCUSSION**

With the election coming in October 2018, a new SCRHD and SCRHD Board will be elected. One item already identified for the future Board to consider is a review of the remuneration process and development of a Director Remuneration Policy. This is a common practice among local governments and currently doesn't exist for the SCRHD and SCRHD. Staff recommend that a Directors Remuneration Policy be included in the 2019 work plan.

In order to execute the increase to offset the loss of tax exemption on 1/3 of elected official remuneration, Bylaw 72 requires an amendment. Staff are presenting the attached Bylaw for the Board's consideration, with an effective date of January 1, 2019.

*Financial Implications*

Since the SCRHD Board meets only a few times per year, the financial implication will be minimal and estimated at less than \$1,000 annually. The rates also increase automatically for the change in the Consumer Price Index of Vancouver (CPI-Vancouver) as at November 2018, per the existing Bylaw, which is estimated at 2.2% as of August 2018.

**CONCLUSION**

Staff recommend that the SCRHD Board implement the increase to offset the loss of tax exemption on 1/3 of elected official remuneration.

Staff recommend the SCRHD Board consider the Bylaw (attached), with an effective date of January 1, 2019.

Staff recommend that a Directors Remuneration Policy be drafted as part of the 2019 work plan.

Reviewed by:			
Manager		Finance	
GM		Legislative	X – A. Legault
CAO	X – J. Loveys	Other	

**Attachment** Directors’ Remuneration Amendment Bylaw No. 72.6, 2018 (presented later in the October 11, 2018 SCRHD Agenda for readings)

**SUNSHINE COAST REGIONAL HOSPITAL DISTRICT****BYLAW NO. 72.6****A Bylaw to amend Sunshine Coast Regional Hospital District  
Directors' Remuneration Bylaw No. 72, 2005**

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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 as "*Sunshine Coast Regional Hospital District Directors' Remuneration Amendment Bylaw No. 72.6, 2018*".
2. "*Sunshine Coast Regional Hospital District Directors' Remuneration Bylaw No. 72, 2005*" is hereby amended as follows:
  - a) Section 2 is deleted in its entirety and replaced with the following:
    2. The remuneration for the Directors of the Sunshine Coast Regional Hospital District Board shall be as follows:
      - a) Chair to receive \$263.40 per Board meeting attended and chaired;
      - b) All other Directors and Alternate Directors to receive \$131.70 per meeting attended;
      - c) Chair, Directors and Alternate Directors to receive \$131.70 per extraordinary meeting attended, provided the meeting has been deemed as such by Board resolution;
      - d) Appointed Directors to receive \$131.70 for attending St. Mary's Hospital Governance Committee meetings;
      - e) Appointed Directors to receive \$131.70 for attending Liaison meetings and Capital Planning meetings held pursuant to the Memorandum of Understanding with Vancouver Coastal Health Authority.
  - b) Section 9 is deleted in its entirety.
  - c) Section 10 is deleted in its entirety and replaced with a new Section 10 as follows:
    10. A Director or Alternate Director may, prior to attending a conference, request approval by the Board to receive \$158.54 per day to attend such conference.

READ A FIRST TIME this	11 <sup>th</sup>	day of	October, 2018
READ A SECOND TIME this	11 <sup>th</sup>	day of	October, 2018
READ A THIRD TIME this	11 <sup>th</sup>	day of	October, 2018
ADOPTED this	11 <sup>th</sup>	day of	October, 2018

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SECRETARY

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CHAIR

RECEIVED  
SEP 25 2018  
S.C.R.D.



Sunshine Coast Healthcare Auxiliary Thrift Store  
P.O. Box 843  
Sechelt, B.C. V0N 3A0

September 21, 2018

RECEIVED  
SEP 21 2018

Sunshine Coast Regional Hospital District  
1975 Field Rd.  
Sechelt, B.C.  
V0N 3A0

Attention: Tara Crosby

Dear Tara,

Please find enclosed copies of invoices paid to Waste Management of Canada Corp. from January 1, 2018 to June 30, 2018 during Sunshine Coast Healthcare Auxiliary Thrift Store's current fiscal year.

Please convey to the SCRHD Board, our heartfelt thanks for approving a grant for \$3,500. The upcoming grant, (which offsets tipping fees we are charged at the landfill), allows the St. Mary's Hospital/Healthcare Auxiliary to further help the hospital by providing funds to purchase needed equipment.

The dedicated volunteers who work at our Thrift Store have contributed 30,681 hours of their time during the 11 months to date of this fiscal year!

Best Regards,

Vivian Hayes  
Treasurer,  
Sunshine Coast Healthcare Auxiliary Thrift Store Committee.

**SUNSHINE COAST REGIONAL HOSPITAL DISTRICT**

**BYLAW NO. 72.6**

**A Bylaw to amend Sunshine Coast Regional Hospital District  
Directors' Remuneration Bylaw No. 72, 2005**

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READ A FIRST TIME this	11 <sup>th</sup>	day of	October, 2018
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READ A THIRD TIME this	11 <sup>th</sup>	day of	October, 2018
ADOPTED this	11 <sup>th</sup>	day of	October, 2018

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SECRETARY

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CHAIR