



SUNSHINE COAST REGIONAL HOSPITAL DISTRICT



**REGULAR BOARD MEETING TO BE HELD
IN THE BOARDROOM OF THE SUNSHINE COAST
REGIONAL DISTRICT OFFICES AT 1975 FIELD ROAD, SECHELT, B.C.
Thursday, February 22, 2024**

AGENDA

CALL TO ORDER To Follow the SCRD Board Meeting

AGENDA

1. Adoption of Agenda Page 1

MINUTES

2. Sunshine Coast Regional Hospital District Inaugural Board Meeting Minutes of January 25, 2024 Annex A
pp. 2-4

BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS

PRESENTATIONS AND DELEGATIONS

REPORTS

3. 2024 Sunshine Coast Regional Hospital District Final Budget Annex B
pp. 5-10
General Manager, Corporate Services / Chief Financial Officer

COMMUNICATIONS

MOTIONS

BYLAWS

4. *Sunshine Coast Regional Hospital District Annual Budget Bylaw No.93, 2024* Annex C
pp. 11-12
- first, second, third readings and adoption

NEW BUSINESS

IN CAMERA

ADJOURNMENT



SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

January 25, 2024

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	Town of Gibsons	S. White
Directors	Electoral Area E	D. McMahon
	Electoral Area A	L. Lee
	Electoral Area B	J. Gabias
	Electoral Area D	K. Backs
	Electoral Area F	K. Stamford
	District of Sechelt	A. Toth
	District of Sechelt	D. Inkster

ALSO PRESENT:

Chief Administrative Officer	D. McKinley
GM, Corporate Services / Chief Financial Officer	T. Perreault
Corporate Officer	S. Reid
Administrative Assistant / Recorder	T. Crosby
Media	0
Public	0

VCH: Reg. Dir., Capital Asset Management and Planning J. Marais

Directors, staff, and other attendees present for the meeting may have participated by means of electronic or other communication facilities.

CALL TO ORDER The Corporate Officer assumed the Chair and called the Inaugural Board meeting to order at 9:03 a.m.

ELECTION OF CHAIR The Corporate Officer called for nominations for the position of Chair of the Regional Hospital District Board for 2024.

Director McMahon nominated Director White. Director White 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 White was declared Chair of the Sunshine Coast Regional Hospital District Board by acclamation for 2024.

**ELECTION OF
VICE CHAIR**

Director White assumed the Chair. Chair White called for nominations for the position of Vice Chair of the Regional Hospital District Board for 2024.

Director Toth 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 2024.

AGENDA

It was moved and seconded

01/24

THAT the agenda for the meeting be adopted as amended.

CARRIED

MINUTES

Minutes

It was moved and seconded

02/24

THAT the Sunshine Coast Regional Hospital District Board Meeting Minutes of October 19, 2023 be adopted as presented.

CARRIED

REPORTS

Audit
Service Plan

It was moved and seconded

03/24

THAT the report titled MNP LLP 2023 Audit Service Plan be received for information;

AND THAT the Audit Service Plan from MNP LLP with respect to the Audit of the Financial Statements of the Sunshine Coast Regional Hospital District (SCRHD) for the year ended December 31, 2023 be approved as presented.

CARRIED

Meeting
Schedule

It was moved and seconded

04/24

THAT the report titled Sunshine Coast Regional Hospital District (SCRHD) 2024 Meeting Schedule be received for information;

AND THAT the March 21, 2024 SCRHD Board meeting date be rescheduled to February 22, 2024 immediately following the Sunshine Coast Regional District Board Meeting.

AND FURTHER THAT the 2024 Meeting Schedule be adopted as amended.

CARRIED

COMMUNICATIONS

Local Governance
Liaison

It was moved and seconded

05/24

THAT the Summary and Population and Public Health Update from Vancouver Coastal Health presented at the November 17, 2023 Local Governance Liaison Meeting be received for information.

CARRIED

ADJOURNMENT

It was moved and seconded

06/24

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

CARRIED

The meeting adjourned at 9:13 a.m.

Certified correct _____
Secretary

Confirmed this _____ day of _____

Chair

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT

TO: Sunshine Coast Regional Hospital District Board – February 22, 2024
AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer
SUBJECT: **2024 SUNSHINE COAST REGIONAL HOSPITAL DISTRICT FINAL BUDGET**

RECOMMENDATION(S)

- (1) THAT the report titled 2024 Sunshine Coast Regional Hospital District Final Budget be received for information;**
 - (2) AND THAT the 2024 SCRHD Final Budget be approved as presented.**
-

BACKGROUND

Per Section 23(5) of the *Hospital District Act*, the Regional Hospital District Board must adopt its final Budget, by Bylaw, on or before March 31 in each year. Prior to this, it must adopt a provisional budget for the following calendar year, prior to December 31 each year, which was passed by resolution (25/23) at the October 19, 2023 Sunshine Coast Regional Hospital District (SCRHD) Board meeting.

The purpose of this report is to present the final 2024 SCRHD Budget in preparation for the Bylaw adoption.

DISCUSSION

The SCRHD Draft Final Budget is attached for reference (Attachment A). 2023 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 2024.

The 2024 budget aligns with Public Sector Accounting Standards (PSAS) financial statement reporting standards presentation.

For 2024, the final budget includes a projected operating deficit of (\$387,524) 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 capital equipment purchases and 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).

Details on individual budget line items are outlined below.

Revenue

Grants in Lieu of Taxes

Projected revenue has been decreased to \$81 for 2024 to reflect actual revenue received in 2023.

Tax Requisition and Estimated Tax Rate

The projected tax requisition for 2024 has decreased by \$11,265 to \$1,509,814 compared to \$1,521,079 in 2023.

The estimated residential tax rate (per \$100,000 of assessed value) based on the 2024 Provisional Budget is \$6.60, down from \$6.63 in 2023. This value will change as revised property assessments and final taxation is determined for the final 2024 Budget.

Investment Income

Investment income has been budgeted to increase to \$182,744 in 2024, up \$62,744 from 2023. This reflects the projected actual interest earned and the change in interest rate conditions. These funds will offset future tax requisition to fund capital requests.

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 actuarial adjustment for 2024 is anticipated to increase by \$31,989 to \$384,115 for 2024.

Expenses

Administration, Bank Charges and Other Expenditures

The Budgeted amount for administration is estimated at \$40,896 for 2024. These funds are budgeted to cover the reimbursement of administrative costs such as staff wages, Director remuneration and audit fees.

Interest on Long Term Debt

Interest payments on long-term debt are fixed based on MFA amortization schedules. Interest payments for 2024 will total \$583,511.

Minor Equipment (< \$150,000)

Annual funding of \$120,000 is budgeted for minor equipment purchases valued at less than \$150,000. Any unused funding is carried forward for use in the following year. It is expected that in 2024 there be \$887,740 in available funding for VCH.

Capital Equipment (>\$150,000)

Funding for capital equipment purchases valued at more than \$150,000 are approved by the SCRHD Board on a case by case basis when a request is received from VCH. The SCRHD may fund up to 40% of the cost-share request.

An annual amount of \$275,000 is raised to place in reserve until such time as cost-share requests from VCH are made. A summary of the projected 2024 reserve fund balance and budgeted funding commitments is included in the table below:

Capital Equipment (>\$150,000) Reserve Fund Summary	
Projected 2024 Opening Balance	\$ 2,178,979
Annual Funding Contribution	275,000
Available for projects in 2024	2,453,979
Less funding commitments:	
Motor control center, transfer switch and generator	327,144
Oxygen system upgrade	42,813
Heat Exchangers	30,779
Window Replacement	3,794
Vital #4 Power Distribution Centre	440,000
Domestic Hot Water Pipe Replacement	104,000
Uncommitted balance	\$ 1,505,449

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. For 2024, repayment of debt consists of a cash payment totaling \$561,836 and the non-cash MFA actuarial adjustment of \$384,115 for a total principal balance reduction of \$945,951.

SCRHD Fund Balances

The SCRHD maintains three separate accounting funds that are aligned with the different funding categories for capital. These funds are as follows:

- **Current Fund (Minor Capital Equipment)** – Projects or single pieces of equipment with a value of less than \$150,000
- **Reserve Fund** – Projects or equipment with a value greater than \$150,000
- **Capital Fund** – Major capital projects and associated debt servicing.

Below is an updated table outlining fund balances and commitments:

	Current Fund	Reserve Fund	Capital Fund
Balance at December 31, 2023	\$796,793.41	\$2,178,979	\$1,228,807
Annual Funding Contributions	<u>120,000</u>	<u>275,000</u>	
Funds available for 2024	\$916,793	\$2,453,979	\$1,228,807
Less Budgeted Commitments:			
Minor equipment < \$150,000	\$887,740		
Minor equipment > \$150,000			
Motor Control Centre		(327,144)	
Oxygen System Upgrade		(42,813)	
Heat Exchangers		(30,779)	
Window Replacement		(3,794)	
Vital #4 Power Distribution Centre		(440,000)	
Domestic Hot Water Pipe		<u>(104,000)</u>	
Uncommitted Balance	\$29,053	\$1,505,449	\$1,228,807

CONCLUSION

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

The 2024 final budget projects a decrease to taxation mainly as a result of higher interest income earned and a large surplus in 2023. The estimated residential tax rate for 2024 is \$6.60 per \$100,000 which is a 0.48% or \$0.03 decrease over the prior year.

Attachments:

- A. SCRHD 2024 Draft Final Budget
- B. SCRHD 2024 Final Provisional Budget

Reviewed by:			
Manager		Finance	X – A. Taylor
GM		Legislative	
CAO	X – D. McKinley	Risk	

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2024 Final Budget

	2023 - 2024				
	Budget 2024	Actual 2023	Budget 2023	\$ Change	% Change
Revenue					
Grants in lieu of taxes	\$ 81	81	\$ 105	\$ (24.00)	-22.86%
Tax requisitions	\$ 1,509,814	1,521,079	\$ 1,521,079	(11,265)	-0.74%
Investment income	\$ 182,744	227,587	\$ 120,000	62,744	52.29%
Other revenue - MFA actuarial	\$ 384,115	352,126	\$ 352,126	31,989	9.08%
Other revenue - MFA debt reserve fund payout	\$ -	-	\$ -	-	0.00%
Total Revenue	\$ 2,076,754	\$ 2,100,873	\$ 1,993,310	\$ 83,444	4.19%
Expenses					
Administration	\$ 40,896	35,624	\$ 35,426	5,470	15.44%
Bank charges	\$ 101	101	\$ 102	(1)	-0.98%
Other Expenditures - Sechelt Hospital Auxillary Grant	\$ 3,500	3,500	\$ 3,500	-	0.00%
Interest on long term debt	\$ 583,511	583,511	\$ 583,511	-	0.00%
Minor equipment (<\$150,000)	\$ 887,740	4,295	\$ 772,035	115,705	14.99%
Capital equipment (>\$150,000)	\$ 948,530	506,765	\$ 1,351,295	(402,765)	-29.81%
Major capital projects	\$ -	-	\$ -	-	n/a
Total Expenses	\$ 2,464,278	\$ 1,133,796	\$ 2,745,869	\$ (281,590)	-10.26%
Operating Surplus/(Deficit)	\$ (387,524)	\$ 967,077	\$ (752,559)	\$ 365,035	
Transfers and other					
Repayment of long-term debt	\$ (945,951)	(921,063)	\$ (913,962)	(31,989)	3.50%
Transfers (to)/from capital equipment reserve fund	\$ 581,972	121,298	\$ 1,014,463	(432,491)	-42.63%
Transfers (to)/from major capital fund	\$ (45,257)	(54,604)	\$ (31,994)	(13,263)	41.45%
Prior year budget surplus/(deficit)	\$ 796,760	684,052	\$ 684,052	112,708	16.48%
Non-PSAB Budgeted Surplus/(Deficit)	\$ -	\$ 796,760	0	\$ (0)	n/a
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 6.60		\$ 6.63	\$ (0.03)	-0.48%

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2024 Provisional Budget

	Budget 2024	Budget 2023	2023 - 2024	
			\$ Change	% Change
Revenue				
Grants in lieu of taxes	\$ 114	\$ 105	\$ 9.00	8.57%
Tax requisitions	\$ 1,555,421	\$ 1,521,079	34,342	2.26%
Investment income	\$ 150,000	\$ 120,000	30,000	25.00%
Other revenue - MFA actuarial	\$ 384,115	\$ 352,126	31,989	9.08%
Other revenue - MFA debt reserve fund payout	\$ -	\$ -	-	0.00%
Total Revenue	\$ 2,089,650	\$ 1,993,310	\$ 96,340	4.83%
Expenses				
Administration	\$ 41,270	\$ 35,426	5,844	16.50%
Bank charges	\$ 130	\$ 102	28	27.45%
Other Expenditures - Sechelt Hospital Auxillary Grant	\$ 3,500	\$ 3,500	-	0.00%
Interest on long term debt	\$ 583,511	\$ 583,511	-	0.00%
Minor equipment (<\$150,000)	\$ 887,740	\$ 772,035	115,705	14.99%
Capital equipment (>\$150,000)	\$ 948,530	\$ 1,351,295	(402,765)	-29.81%
Major capital projects	\$ -	\$ -	-	n/a
Total Expenses	\$ 2,464,681	\$ 2,745,869	\$ (281,187)	-10.24%
Operating Surplus/(Deficit)	\$ (375,031)	\$ (752,559)	\$ 377,527	
Transfers and other				
Repayment of long-term debt	\$ (945,951)	\$ (913,962)	(31,989)	3.50%
Transfers (to)/from capital equipment reserve fund	\$ 587,957	\$ 1,014,463	(426,506)	-42.04%
Transfers (to)/from major capital fund	\$ (34,715)	\$ (31,994)	(2,721)	8.50%
Prior year budget surplus/(deficit)	\$ 767,740	\$ 684,052	83,688	12.23%
Non-PSAB Budgeted Surplus/(Deficit)	\$ -	\$ 0	\$ (0)	n/a
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 6.78	\$ 6.63	\$ 0.15	2.26%

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

BYLAW NO. 93

A bylaw to adopt the Annual Budget for the year 2024

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. 93, 2024.*
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, 2024.

READ A FIRST TIME this 22nd day of February, 2024

READ A SECOND TIME this 22nd day of February, 2024

READ A THIRD TIME this 22nd day of February, 2024

ADOPTED this 22nd day of February, 2024

SECRETARY

CHAIR

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2024 Final Budget

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