



**SUNSHINE COAST REGIONAL HOSPITAL DISTRICT
BOARD MEETING**



**HELD ELECTRONICALLY AND TRANSMITTED VIA THE
SUNSHINE COAST REGIONAL DISTRICT BOARDROOM,
1975 FIELD ROAD, SECHELT, B.C.
Thursday, March 24, 2022**

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 27, 2022

Annex A
Pages 1-3

BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS

PRESENTATIONS and DELEGATIONS

REPORTS

3. 2022 Sunshine Coast Regional Hospital District Final Budget
General Manager, Corporate Services / Chief Financial Officer

Annex B
pp. 4-10

COMMUNICATIONS

MOTIONS

BYLAWS

4. *Sunshine Coast Regional Hospital District Annual Budget Bylaw
No.91, 2022
- first, second, third readings and adoption*

Annex C
pp. 11-12

NEW BUSINESS

IN CAMERA

ADJOURNMENT



SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

January 27, 2022

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

PRESENT:	Chair	District of Sechelt	D. Siegers
	Directors	Sechelt Indian Government District	A. Paul
		Electoral Area A	L. Lee
		Electoral Area B	L. Pratt
		Electoral Area D	A. Tize
		Electoral Area E	D. McMahon
		Electoral Area F	M. Hiltz
		District of Sechelt	A. Toth
		Town of Gibsons	B. Beamish
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		0
	Public		0
VCH:	Regional Director, Capital Planning		J. Marais

CALL TO ORDER The Corporate Officer assumed the Chair and called the Inaugural Board meeting to order at 1:03 p.m.

ELECTION OF CHAIR

The Corporate Officer called for nominations for the position of Chair of the Regional Hospital District Board for 2022.

Director Tize 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 2022.

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 2022.

Director Beamish nominated Director Paul. Director Paul 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 Paul was declared Vice Chair of the Sunshine Coast Regional Hospital District Board by acclamation for 2022.

AGENDA

It was moved and seconded

01/22

THAT the agenda for the meeting be adopted as presented.

CARRIED

MINUTES

Minutes

It was moved and seconded

02/22

THAT the Sunshine Coast Regional Hospital District Board Meeting Minutes of October 28, 2021 be adopted as circulated.

CARRIED

PRESENTATIONS AND DELEGATIONS

TJ Sheehan and Emily Gee, Directors of Coastal Recovery Community provided an introduction of the Coastal Recovery Community Addiction Treatment Centre located in Gibsons.

REPORTS

Audit Planning

It was moved and seconded

03/22

THAT the report titled MNP LLP – 2021 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 for the year ended December 31, 2021 be approved as presented.

CARRIED

Meeting Schedule

It was moved and seconded

04/22

THAT the report titled Sunshine Coast Regional Hospital District 2022 Meeting Schedule be received for information;

AND THAT the 2022 Meeting Schedule be adopted as presented.

CARRIED

ADJOURNMENT

It was moved and seconded

05/22

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

CARRIED

The meeting adjourned at 1:23 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 24, 2022

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

SUBJECT: 2022 SUNSHINE COAST REGIONAL HOSPITAL DISTRICT (SCRHD) FINAL BUDGET

RECOMMENDATION(S)

THAT the report titled 2022 Sunshine Coast Regional Hospital District (SCRHD) Final Budget be received;

AND THAT the funding to Vancouver Coastal Health (VCH) toward minor capital equipment (< \$100,000) be reduced to \$120,000 (50%) for 2022 only for prior year allocations to be fully expended;

AND FURTHER THAT the 2022 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 (26/21) at the October 28, 2021 Sunshine Coast Regional Hospital District (SCRHD) Board meeting.

The purpose of this report is to present the final 2022 SCRHD Budget in preparation for the Bylaw adoption.

DISCUSSION

The SCRHD Draft Final Budget is attached for reference (Attachment A). 2021 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 2022.

The 2022 budget aligns with Public Sector Accounting Standards (PSAS) financial statement reporting standards presentation.

For 2022, the final budget includes a projected operating deficit of (\$526,120) 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).

Revenue

Grants in Lieu of Taxes

Projected revenue has been reduced from \$214 in 2021 to \$110 for 2022 to reflect actual Grant in Lieu payments received in 2021.

Tax Requisition

The projected tax requisition has decreased by \$89,742 to \$1,285,224 compared to \$1,374,966 in 2021, which is a decrease of 6.53%. The table below summarizes the budgeted purpose for which tax requisition monies are collected:

2022 Final Budget Tax Requisition Summary	
Purpose	Amount
Administration and operating expenses, net of operating fund revenues	\$ 27,426
Principal and interest payments on long-term debt	839,086
Annual funding for minor equipment (< \$100,000)	120,000
Annual funding for capital equipment (> \$100,000)	275,000
Prior year budget surplus less minor equipment carry forward	23,713
Total Tax Requisition	\$ 1,285,224

Change from provisional: decrease of 88,830 due \$120,000 decrease requisitioned for Minor equipment (<100,000) which was partially offset by a \$7,457 increase in Administration & operating expenses net of operating fund revenues as well as by the inclusion of prior year deficit net of minor capital carryforward (23,713 in 2022).

Investment Income

Investment income has been adjusted to \$55,100 for 2022 to reflect the prior year actual investment income earned and adjusted for the changing market conditions. This is a decrease of \$8,900 from 2021 budgeted which was based on 2020 actual investment income. 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 \$15,400 for 2022, are used to offset taxation.

Change from provisional: Increase of \$12,900 based on 2021 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.

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 \$102 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: Increase of \$13,005 to administration expense due to higher than anticipated salaries, wages & benefits.

Interest on Long Term Debt

Interest payments on long-term debt are fixed based on MFA amortization schedules. Interest payments for 2022 have not changed from 2021.

Minor Equipment (< \$100,000)

Prior to 2022, \$240,000 was budgeted for minor Capital equipment for Vancouver Coastal Health. Since 2013, the minor capital funding began to accumulate as purchases were not made. The unspent funds carry-forward into future budgets. The 2021 budget was \$1.36 million and VCH indicated purchases would be completed in the very near future. There is currently \$717,240 in unused funding from prior years. Therefore, it is recommended that for 2022, minor capital funding of \$120,000 be provided which will amount to \$837,240 in available funding.

VCH presents their plan for minor capital equipment each July with updates in October. They identify and procure minor equipment purchases based on existing needs and priorities at the Sechelt Hospital and are reimbursed by the SCRHD upon submission of invoices.

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 2022 reserve fund balance and budgeted funding commitments is included in the table below:

Capital Equipment (>\$100,000) Reserve Fund Summary	
Projected 2022 Opening Balance	\$ 2,084,188
Annual Funding Contribution	275,000
Available for projects in 2022	2,359,188
Less funding commitments:	
Motor control center, transfer switch and generator	713,739
Oxygen system upgrade	44,711
Heat Exchangers	30,779
Window Replacement	228,136
Uncommitted balance	\$ 1,341,823

Change from provisional: No change since the Provisional Budget was approved.

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 for the 20-year debt undertaken for the Hospital expansion in 2007. Debt servicing payments are expected to end in December 2027. Payments are comprised of Principal of \$502,445, plus interest (\$336,641 as noted in expenses above), and a non-cash payment for the actuarial amount on the debt sinking fund. 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 2022 are the same as 2021 and will total \$502,445. For 2022, the non-cash actuarial adjustment is budgeted at \$367,627 which is a \$33,464 increase over the actual 2021 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 to VCH for projects to be transferred out of the funds as project expenditures are incurred, net of annual funding (\$275,000 above), investment income and MFA debt reserve fund payouts for transfer into the fund.

Change from provisional: \$6,100 decrease since the Provisional Budget was approved due to increase in investment income budgeted.

Prior Year Budget Surplus/(Deficit)

This amount budgeted to this line is the actual 2021 non-PSAB budget surplus, which is was \$693,528 for 2021. This is attributable to budgeted versus actual minor capital and interest earned.

Change from provisional: Amended to include actual 2021 current fund operational surplus.

Tax Rates and Property Assessments

For 2022, the estimated residential tax rate is \$6.23 per \$100,000 of assessment, compared to \$8.77 for 2021. That is a 28.95% or \$2.54 decrease over the prior year. This amount may change slightly once final property assessments are received on March 31.

As reported through the [SCRD 2022 Budget process](#), overall property assessments on the Sunshine Coast increased by 34.27% in 2022 from the prior year. The impact of the tax rate per \$100,000 of assessment has decreased while the average property on the Sunshine Coast has increased. The Overall impact to taxation will be relative to the overall increase in property assessments.

Timeline for next steps or estimated completion date

The final budget must be adopted, by Bylaw, no later than March 31, 2022.

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 2022 final budget includes a projected operating deficit of \$526,120. 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 2022 is \$6.23 per \$100,000 of assessment, compared to \$8.77 for 2021. That is a 28.95% or \$2.54 decrease over the prior year.

Attachments:

- A. SCRHD 2022 Draft Final Budget
- B. SCRHD 2022 Final Provisional Budget

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

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2022 Final Budget

	2021 - 2022				
	Budget 2022	Actual 2021	Budget 2021	\$ Change	% Change
Revenue					
Grants in lieu of taxes	\$ 110	110	\$ 214	\$ (103,61)	-48.43%
Tax requisitions	\$ 1,285,224	1,374,966	1,374,966	(89,742)	-6.53%
Investment income	\$ 55,100	44,474	64,000	(8,900)	-13.91%
Other revenue - MFA actuarial	\$ 367,627	334,163	334,163	33,464	10.01%
Other revenue - MFA debt reserve fund payout	\$ -	-	-	-	0.00%
Total Revenue	\$ 1,708,061	\$ 1,753,713	\$ 1,773,343	\$ (65,282)	-3.68%
Expenses					
Administration	\$ 39,334	34,215	16,866	22,468	133.21%
Bank charges	\$ 102	102	150	(48)	-32.00%
Other Expenditures - Sechelt Hospital Auxillary Grant	\$ 3,500	3,500	3,500	-	0.00%
Interest on long term debt	\$ 336,641	336,641	336,641	-	0.00%
Minor equipment (<\$100,000)	\$ 837,240	587,616	1,304,856	(467,616)	-35.84%
Capital equipment (>\$100,000)	1,017,365	314,435	1,331,800	(314,435)	-23.61%
Major capital projects	-	-	-	-	n/a
Total Expenses	\$ 2,234,182	\$ 1,276,509	\$ 2,993,813	\$ (759,631)	-25.37%
Operating Surplus/(Deficit)	\$ (526,120)	\$ 477,203	\$ (1,220,470)	\$ 694,350	
Transfers and other					
Repayment of long-term debt	\$ (870,072)	(840,345)	(836,608)	(33,464)	4.00%
Transfers (to)/from capital equipment reserve fund	\$ 720,965	(5,515)	1,034,800	(313,835)	-30.33%
Transfers (to)/from major capital fund	\$ (18,300)	(14,763)	(27,000)	8,700	-32.22%
Prior year budget surplus/(deficit)	\$ 693,528	1,076,947	1,049,278	(355,750)	-33.90%
Non-PSAB Budgeted Surplus/(Deficit)	\$ 0	\$ 693,528	-	\$ 0	n/a
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 6.23		\$ 8.77	\$ (2.54)	-28.95%

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2022 Provisional Budget

	Budget 2022	Budget 2021	2021 - 2022	
			\$ Change	% Change
Revenue				
Grants in lieu of taxes	\$ 110	\$ 214	\$ (103.61)	-48.43%
Tax requisitions	1,374,055	1,374,966	(911)	-0.07%
Investment income	42,200	64,000	(21,800)	-34.06%
Other revenue - MFA actuarial	367,627	334,163	33,464	10.01%
Other revenue - MFA debt reserve fund payout	-	-	-	0.00%
Total Revenue	\$ 1,783,992	\$ 1,773,343	\$ 10,649	0.60%
Expenses				
Administration	26,329	16,866	9,463	56.11%
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)	957,240	1,304,856	(347,616)	-26.64%
Capital equipment (>\$100,000)	1,018,494	1,331,800	(313,306)	-23.52%
Major capital projects	-	-	-	n/a
Total Expenses	\$ 2,342,354	\$ 2,993,813	\$ (651,459)	-21.76%
Operating Surplus/(Deficit)	\$ (558,362)	\$ (1,220,470)	\$ 662,108	
Transfers and other				
Repayment of long-term debt	\$ (870,072)	(836,608)	(33,464)	4.00%
Transfers (to)/from capital equipment reserve fund	\$ 728,194	1,034,800	(306,606)	-29.63%
Transfers (to)/from major capital fund	\$ (17,000)	(27,000)	10,000	-37.04%
Prior year budget surplus/(deficit)	\$ 717,240	1,049,278	(332,038)	-31.64%
Non-PSAB Budgeted Surplus/(Deficit)	\$ -	-	\$ -	n/a
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 8.77	\$ 8.77	\$ (0.01)	-0.07%

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

BYLAW NO. 91

A bylaw to adopt the Annual Budget for the year 2022

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. 91, 2022*.
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, 2022.

READ A FIRST TIME this 24th day of March, 2022

READ A SECOND TIME this 24th day of March, 2022

READ A THIRD TIME this 24th day of March, 2022

ADOPTED this 24th day of March, 2022

SECRETARY

CHAIR

Schedule 1

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2022 Final Budget

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Major capital projects	-	-	-	-	n/a
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Prior year budget surplus/(deficit)	\$ 693,528	1,076,947	1,049,278	(355,750)	-33.90%
Non-PSAB Budgeted Surplus/(Deficit)	\$ 0	\$ 693,528	-	\$ 0	n/a
Budgeted Residential Tax Rate (per \$100,000 of assessed value)	\$ 6.23		\$ 8.77	\$ (2.54)	-28.95%