



**SUNSHINE COAST REGIONAL HOSPITAL DISTRICT
BOARD MEETING
AGENDA**

Thursday, October 17, 2024, 1:00 p.m.

**IN THE BOARDROOM OF THE SUNSHINE COAST
REGIONAL DISTRICT OFFICES AT 1975 FIELD ROAD, SECHELT, B.C.**

| | Pages |
|--|--------------|
| 1. CALL TO ORDER | |
| 2. AGENDA | |
| 3. MINUTES | |
| 3.1 Sunshine Coast Regional Hospital District Board Meeting Minutes of July 18, 2024 | 3 |
| 4. BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS | |
| 5. PRESENTATIONS AND DELEGATIONS | |
| 6. REPORTS | |
| 6.1 MNP LLP 2024 Audit Service Plan Chief Administrative Officer / Chief Financial Officer | 6 |
| 6.2 Vancouver Coastal Health (VCH) Cost Share Requests Chief Administrative Officer / Chief Financial Officer | 23 |
| 6.3 2025 Sunshine Coast Regional Hospital District (SCRHD) Provisional Budget Chief Administrative Officer / Chief Financial Officer | 26 |
| 7. COMMUNICATIONS | |
| 7.1 Miyuki Shinkai, President and Kathy Christ, Treasurer of the Sunshine Coast Labour Council dated August 20, 2024 Regarding: Repurpose of Totem Lodge for VCH's Mental Health and Substance Abuse Programming | 30 |
| 8. MOTIONS | |
| 9. BYLAWS | |
| 10. NEW BUSINESS | |
| 11. IN CAMERA | |
| THAT the public be excluded from attendance at the meeting in accordance with Sections 90 (1) (k) and (m) of the <i>Community Charter</i> - "negotiations and related discussions respecting the proposed provision of a municipal service..." and "a matter that, under another enactment, is such that the public be excluded from the meeting" and Section 90 (2) (b) of the <i>Community Charter</i> - "the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both....". | |

- 12. RELEASE OF ITEMS FROM IN CAMERA**
- 13. ADJOURNMENT**



SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

July 18, 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: | GM, Corporate Services / Chief Financial Officer | | T. Perreault |
| | Corporate Officer | | S. Reid |
| | Deputy Corporate Officer / Recorder | | K. Wiebe |
| | Media | | 1 |
| | Public | | 7 |
| VCH: | Reg. Dir., Capital Asset Management and Planning | | J. Marais |
| | Director, Planning and Projects | | S. Samsami |

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

CALL TO ORDER 1:15 p.m.

AGENDA **It was moved and seconded**

17/24 THAT the agenda for the meeting be adopted as presented.

CARRIED

MINUTES

Minutes **It was moved and seconded**

18/24 THAT the Board meeting minutes of April 18, 2024 be adopted as presented.

CARRIED

BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS**PRESENTATIONS AND DELEGATIONS**

Johan Marais, Regional Director, Capital Asset Management and Planning, with Sam Samsami, Director of Planning and Projects, Vancouver Coastal Health, addressed the Board regarding capital update and cost share requests

VCH **It was moved and seconded**

19/24 THAT the presentation by Johan Marais and Sam Samsami of Vancouver Coastal Health titled FY25 Capital Update and Cost Share Requests be received for information;

AND THAT staff bring forward a report to the October 2024 Sunshine Coast Regional Hospital District Board meeting with funding options for Vancouver Coastal Health's shíshálh Hospital cost share requests of \$348,344 for Dishwasher Replacement and \$300,000 for Water Resiliency project;

AND FURTHER THAT staff work with Vancouver Coastal Health on the optimization of the water resiliency project.

CARRIED

COMMUNICATIONS

Health Vision **It was moved and seconded**

20/24 THAT the correspondence from Darlene MacKinnon, Vice President, Coastal Community of Care, Vancouver Coastal Health dated May 7, 2024 regarding Health Vision Sechelt / shíshálh Hospital Information be received for information.

CARRIED

ADJOURNMENT It was moved and seconded

21/24 THAT the Board meeting be adjourned.

CARRIED

The meeting adjourned at 2:00 p.m.

Certified correct: _____

Corporate Officer

Confirmed this _____ day of _____

Chair

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT

TO: Sunshine Coast Regional Hospital District Board – October 17, 2024

AUTHOR: Tina Perreault, Chief Administrative Officer / Chief Financial Officer

SUBJECT: MNP LLP 2024 AUDIT SERVICE PLAN

RECOMMENDATION

- (1) THAT the report titled MNP LLP 2024 Audit Service Plan be received for information;**
 - (2) 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, 2024 be approved as presented.**
-

BACKGROUND

The purpose of MNP LLP's (MNP) 2024 Audit Service Plan is to communicate key issues, responsibilities and audit strategy which will be undertaken for the Sunshine Coast Regional Hospital District's (SCRHD) annual financial audit. The audit conducted by MNP is in accordance with Canadian Generally Accepted Auditing Standards (GAAS), which require the explicit communication of roles and responsibilities by both parties.

The SCRHD Board has the responsibility of providing oversight of the financial reporting process. As part of the two-way communication with the auditors the Board may highlight any areas of specific concerns or questions it may have for the auditors prior to the final audit.

The purpose of this report is to approve the Report and allow the SCRHD Board to relay any communication back to the Auditors.

DISCUSSION

MNP's Audit Service Plan, summarizing the plans and other matters pertinent to the 2024 audit for the SCRHD, which is attached for reference. SCRHD's engagement will include: Audit Risk Areas and Planned Responses; Changes in Accounting Standards potentially impacting the SCRHD.

The 2024 interim audit will be conducted in early December 2024 with the final audit scheduled for March 2025. The draft financial statements and audit report is scheduled for presentation at the April 2025 SCRHD Board in preparation for the final adoption.

As part of the final Report to the Board from MNP LLP for the 2023 audit, there were no audit differences or significant audit findings reported for the SCRHD.

STRATEGIC PLAN AND RELATED POLICIES

The annual financial audit is a statutory requirement for the SCRHD Board.

CONCLUSION

The purpose of this report is to provide information to the SCRHD Board related to their fiduciary responsibilities for the financial oversight of the SCRHD.

It is recommended that MNP’s “*Audit Service Plan*” be approved as presented or amended by the Board, subject to any additional items arising. The Board may at any time communicate items with MNP prior to the final audit.

Attachment:

A - MNP LLP - SCRHD 2024 Audit Service Plan to the Board of Directors

| | | | |
|--------------|--|-------------|--|
| Reviewed by: | | | |
| Manager | | Finance | |
| GM | | Legislative | |
| CAO | | Other | |

Sunshine Coast Regional Hospital District

2024 Audit Service Plan

Report to the Board of Directors

December 31, 2024

Cory Vanderhorst, CPA, CA
T: 250.734.4319
E: cory.vanderhorst@mnpc.ca

October 8, 2024

Members of the Board of Directors of Sunshine Coast Regional Hospital District

Dear Board of Directors:

We are pleased to present our Audit Service Plan for Sunshine Coast Regional Hospital District (the "Hospital District"). In this plan we describe MNP's audit approach, our engagement team, the scope of our audit and a timeline of anticipated deliverables. We are providing this Audit Service Plan to the Board of Directors on a confidential basis. It is intended solely for the use of the Board of Directors and is not intended for any other purpose. Accordingly, we disclaim any responsibility to any other party who may rely on this report.

Our audit will include an audit of the Hospital District's financial statements for the year ended December 31, 2024, prepared in accordance with Canadian public sector accounting standards. Our audit will be conducted in accordance with Canadian generally accepted auditing standards.

At MNP, our objective is to perform an efficient, high quality audit which focuses on those areas that are considered higher risk. We adhere to the highest level of integrity and professionalism. We are dedicated to maintaining open channels of communication throughout this engagement and will work with management to coordinate the effective performance of the engagement. Our goal is to exceed the Board of Directors's expectations and ensure you receive outstanding service.

Additional material provided along with this report includes our Engagement Letter. Our Engagement Letter is the formal written agreement of the terms of our audit engagement as negotiated with management and outlines our responsibilities under Canadian generally accepted auditing standards.

We look forward to discussing our Audit Service Plan with you and look forward to responding to any questions you may have.

Sincerely,



MNP LLP

Chartered Professional Accountants

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MNP's Client Service Commitment

To make strategic business decisions with confidence, your stakeholders and the Board of Directors of the Hospital District need relevant, reliable and independently audited financial information. But that's not all. You need an audit team that can deliver insight beyond the numbers and enhance the Hospital District's strategic planning and implementation processes so you can embrace new opportunities while effectively managing risk. Our senior team members have extensive knowledge of municipalities from many years of experience. Our audit strategy is risk based, and considers the limitations and opportunities you encounter each day, allowing our recommendations to be implemented with greater ease. Committed to your success, MNP delivers meaningful, reliable financial information to not only help you fulfill your compliance obligations, but also to achieve your key strategic goals.

Our Audit Service Plan outlines the strategy we will follow to provide the Hospital District's Board of Directors with our Independent Auditor's Report on the December 31, 2024 financial statements.

Topics for Discussion

We are committed to providing superior client service by maintaining effective two-way communication. Topics for discussion include, but are not limited to:

- Changes to your business operations and developments in the financial reporting and regulatory environment
- Business plans and strategies
- Any other issues and/or concerns
- Fraud, including how fraud could occur, the risk of fraud and misstatement, and any actual, suspected or alleged fraud
- The management oversight process
- Your specific needs and expectations

Key Changes and Developments

Based on our knowledge of the Hospital District and our discussions with management, we have noted the recent developments set out below. Our audit strategy has been developed considering these factors.

| Key Issues and Developments | | Summary |
|--|-----------------------------------|--|
|  | New Reporting Developments | <ul style="list-style-type: none"> • Public Private Partnerships (New Section PS 3160) • Revenue (New Section PS 3400) • Concepts Underlying Financial Performance (New Conceptual Framework for Financial Reporting in the Public Sector) • Concepts Underlying Financial Performance (New Section PS 1202) • Tangible Capital Assets (Proposed Amendments to Section PS 3150) (Exposure Draft) • Employee Benefits (Proposed New Section PS 3251) (Exposure Draft) |
|  | New Assurance Developments | <ul style="list-style-type: none"> • Joint Policy Statement (JPS) Concerning Communications between Actuaries Involved in the Preparation of Financial Statements and Auditors (Appendix to CAS 500) • Group Audits (Amendments to CAS 600) • Quality Management (New CSQM 1 and Conforming Amendments) • Quality Management (New CSQM 2) |

Risk Assessment

Risk Assessment

Based on the preliminary risk assessment procedures performed, we have identified the following significant and high risks which will be addressed during our audit. We have also outlined the proposed audit response to address those risks. We will update our risk assessment as the audit progresses for additional risks identified and will inform management of any additional significant risks identified.

| Significant Risk Area | Proposed Audit Response |
|--|--|
| Management override of internal controls | <p>To respond to the overall risk of material misstatement due to fraud regarding management's override of controls, we perform the following procedures:</p> <ol style="list-style-type: none">1. Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.2. Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud, if applicable.3. Evaluate the rationale behind significant transactions that are not in the normal course of business and whether they have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. |

Key Milestones

Based on the audit planning performed and areas of audit risks identified, the following timelines for key deliverables have been discussed and agreed upon with management:

| Key Deliverable | Expected Date |
|---|----------------------------------|
| Delivery of December 31, 2024 Audit Service Plan to the Board of Directors | October 17, 2024 |
| Year-end fieldwork procedures | March 10, 2025 to March 14, 2025 |
| Draft year-end financial statements to be discussed with management | April 2025 |
| Presentation of December 31, 2024 Audit Findings Report to the Board of Directors | April 2025 |
| Presentation of Management Letter to the Board of Directors | April 2025 |
| Issuance of Independent Auditor's Report | April 2025 |

Audit Materiality

Materiality is an important audit concept. It is used to assess the significance of misstatements or omissions that are identified during the audit and is used to determine the level of audit testing that is carried out. Specifically, a misstatement or the aggregate of all misstatements in financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures) is considered to be material if it is probable that the decision of the party relying on the financial statements, who has reasonable understanding of business and economic activities, will be changed or influenced by such a misstatement or the aggregate of all misstatements.

The scope of our audit work is tailored to reflect the relative size of operations of the Hospital District and our assessment of the potential for material misstatements in the Hospital District's financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures). In determining the scope, we emphasize relative audit risk and materiality, and consider a number of factors, including:

- The size, complexity, and growth of the Hospital District;
- Changes within the organization, management or accounting systems; and
- Concerns expressed by management.

The scope of our audit work is tailored to reflect the relative size of operations of the Hospital District and our assessment of the potential for material misstatements in the Hospital District's financial statements as a whole.

Judgment is applied separately to the determination of materiality in the audit of each set of financial statements (and, if applicable, for particular classes of transactions, account balances or disclosures) and is affected by our perception of the financial information needs of users of the financial statements. In this context, it is reasonable to assume that users understand that financial statements are prepared, presented and audited to levels of materiality; recognize uncertainties inherent in the measurement of amounts based on the use of estimates, judgment and consideration of future events; and make reasonable economic decisions based on the financial statements. The foregoing factors are taken into account in establishing the materiality level.

We propose to use \$105,000 as overall materiality for audit planning purposes.

Audit Team

In order to ensure effective communication between the Board of Directors and MNP, we outline below the key members of our audit team that will be responsible for the audit of the Hospital District and the role they will play:

| Team Members | Contact Information |
|---|----------------------------|
| Cory Vanderhorst, CPA, CA, Engagement Partner | E: Cory.Vanderhorst@mnp.ca |
| Gavin Reid, CPA, Engagement Manager | E: Gavin.Reid@mnp.ca |

In order to serve you better and meet our professional responsibilities, we may find it necessary to expand our audit team to include other professionals whose consultation will assist us to evaluate and resolve complex, difficult and/or contentious matters identified during the course of our audit.



Any changes to the audit team will be discussed with you to ensure a seamless process and that all concerned parties’ needs are met.

Fees and Assumptions

| DESCRIPTION | 2024 ESTIMATE | 2023 ACTUAL |
|-------------------------------------|---------------|-------------|
| Base audit fee as per our fee quote | \$ 5,900 | \$ 5,600 |

If any significant issues arise during the course of our audit work which indicate a possibility of increased procedures or a change in the audit timetable, these will be discussed with management by the engagement partner, so a mutually agreeable solution can be reached.

Appendix A – The Audit Process

Our Plan

Our audit process focuses on significant risks identified during the pre-planning and planning and risk assessment stage, ensuring that audit procedures are tailored to your specific circumstances and appropriately address those risks.

The Board of Directors is responsible for approval of the financial statements and Hospital District policies, and for monitoring management's performance. The Board of Directors should consider the potential for management override of controls or other inappropriate influences, such as earnings management, over the financial reporting process. The Board of Directors, together with management, is also responsible for the integrity of the accounting and financial reporting systems, including controls to prevent and detect fraud and misstatement, and to monitor compliance with relevant laws and regulations.

Effective discharge of these respective responsibilities is directed toward a common duty to provide appropriate and adequate financial accountability, and quality financial disclosure.

Key responsibilities of MNP and management are outlined in the Engagement Letter (see attached).

Our overall audit strategy is risk-based and controls-oriented. Assessment and identification of risk is performed continuously throughout the audit process. We focus on the risks that have a potential impact on the financial accounting systems and subsequent financial reporting.

Our overall audit strategy does not, and is not intended to involve the authentication of documents, nor are our team members trained or expected to be experts in such authentication. Unless we have reason to believe otherwise, we accept records and documents as genuine. The subsequent discovery of a material misstatement resulting from fraud does not, in and of itself, indicate a failure to comply with Canadian generally accepted auditing standards.

Audit Procedures

To meet our responsibilities in accordance with Canadian generally accepted auditing standards, our audit examination includes:

- Obtaining an understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal controls, in order to identify and assess the risk that the financial statements contain material misstatements due to fraud or misstatement;
- Assessing the design and implementation of and examining, on a test basis, the key controls over significant transaction streams and over the general organizational and computer environments;
- Assessing the systems used to ensure compliance with applicable legislative and related authorities pertaining to financial reporting, revenue raising, borrowing, and investing activities;
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the appropriateness and consistency of accounting principles used and their application;
- Assessing the significant estimates used by management; and,


Appendix A – The Audit Process

(continued from previous page)

- Assessing the entity’s use of the going concern basis of accounting in the preparation of the financial statements.

As part of our planning process, we will also undertake to inform the Board of Directors of concerns relating to management’s implementation and maintenance of controls, and the effects of any such concerns on the overall strategy and scope of the audit. These concerns might arise from the nature, extent and frequency of management’s assessments of controls in place to detect fraud and misstatement, and of the risk that the financial statements may be misstated; from a failure by management to appropriately address significant deficiencies in controls identified in prior audits; and, from our evaluation of the Hospital District’s control environment, and management’s competence and integrity.

Overall Reliance

| Control Reliance Level | Low/None | Moderate | High |
|------------------------|---|---|--|
| Description | Where we cannot rely on controls because they are weak or absent, or where it is deemed to be more efficient to carry out a high level of direct substantive tests of details. Audit evidence is primarily obtained through detailed verification procedures and sufficient substantive tests of details. | Where there are some deficiencies in systems application or procedural controls, or where it is deemed to be inefficient to test systems application controls, but where we can test and rely on the management monitoring systems in place to detect and correct material misstatements in the financial reporting systems. Testing of controls is supplemented with a moderate level of substantive tests of details. | Where a high degree of control is in place in the areas of management monitoring controls AND systems application and procedural controls. Our audit work focuses on testing both management monitoring and systems application and procedural controls, and is supplemented with a low level of substantive tests of details. |
| Planned Reliance |  | — | — |

Appendix A – The Audit Process

(continued from previous page)

For the December 31, 2024 audit, we are planning to place low reliance on the Hospital District's controls. This level of reliance is consistent with the prior year, and will involve mainly substantive tests of details.

The amount of substantive work will be reduced for cycles where there are controls in place that MNP can test and rely on.

As part of our audit work we will update our understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal controls relevant to our audit of the principal transaction cycles, sufficient to identify and assess the risks of material misstatement of the financial statements resulting from fraud or misstatement. This will be accomplished through inquiries with management and others within the entity, analytical procedures and observation and inspection. Furthermore, we will consider whether effective controls have been established to adequately respond to the risks arising from the use of IT or manual systems and test the operation of those controls to an extent sufficient to enable us to reduce our substantive work. Our review of the Hospital District's controls will not be sufficient to express an opinion as to their effectiveness or efficiency.



Although we will provide the Board of Directors with any information about significant deficiencies in internal control that have come to our attention, we may not be aware of all the significant deficiencies in internal control that do, in fact, exist.

Inherent Limitations in the Auditing Process

An auditor cannot obtain absolute assurance that material misstatements in the financial statements will be detected due to factors such as the use of significant judgment regarding the gathering of evidence and the drawing of conclusions based on the audit evidence acquired; the use of testing of the data underlying the financial statements; inherent limitations of controls; and, the fact that much of the audit evidence available to the auditor is persuasive, rather than conclusive in nature.

Because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. While effective controls reduce the likelihood that misstatements will occur and remain undetected, they do not eliminate that possibility. Therefore, the auditor cannot guarantee that fraud, misstatements and non-compliance with laws and regulations, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards.

The likelihood of not detecting material misstatements resulting from management fraud is greater than for employee fraud, because management is in a position to manipulate records, present fraudulent information or override controls.

We will inform the appropriate level of management or the Board of Directors with respect to identified:

- Misstatements resulting from errors, other than clearly trivial misstatements;

Appendix A – The Audit Process

(continued from previous page)

- Fraud, or any information obtained that indicates that fraud may exist;
- Evidence obtained that indicates non-compliance or possible non-compliance with laws and regulations, other than that considered inconsequential;
- Significant deficiencies in the design or implementation of controls to prevent and detect fraud or misstatement; and
- Related party transactions that are not in the normal course of operations and that involve significant judgments made by management concerning measurement or disclosure.

Our concern as auditors is with material misstatements, and thus, we are not responsible for the detection of misstatements that are not material to the financial statements taken as a whole.

Appendix B – Auditor Independence

Auditor Independence

An essential aspect of all our services to the Hospital District is an independent viewpoint, which recognizes that our responsibilities are to the Board of Directors. While the concept of independence demands a questioning and objective attitude in conducting our audit, it also requires the absence of financial or other interests in the Hospital District. In accordance with our firm's policy, and the Code of Professional Conduct, which govern our profession, neither MNP nor any of its team members assigned to the engagement or any of its partners, are permitted to have any involvement in or relationship with the Hospital District that would impair independence or give that appearance. As auditors, we subscribe to the highest standards and are required to discuss the auditor's independence with the Board of Directors on an annual basis. Under the standard an auditor shall:

- Disclose to, the Board of Directors in writing, all relationships between the auditor and the Hospital District that in the auditor's professional judgment may reasonably be thought to bear on our independence;
- Discuss the auditor's independence with the Board of Directors.

During the course of the audit, we will communicate any significant new matters that come to our attention that, in our professional judgment, may reasonably be thought to bear on our independence.

MADE ^{IN} CANADA

And proud of it!

At MNP we're proud to be the national accounting, consulting and tax firm that is 100% Made in Canada.

Our history defines who we are and our approach to business. Being a Canadian firm has helped shape our values, our collaborative approach, and the way we work with our clients, engaging them every step of the way.

We have a unique perspective. Our decisions are made here – decisions that drive Canadian business and help us all achieve success — and we know the impact that our choices have on the cities and towns we call home.

Throughout our six decades of work, we've seen our communities are more than just a place we do business in. They're a place where our families live, play, and thrive, and we work to make them the best places they can be.

Being 100% Canadian is something we wear proudly. This country provides us with great opportunities, and we're here to help our clients seize the opportunities so we can create a brighter future for the generations to come.



Wherever business takes you

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Wherever business takes you

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SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT

TO: Sunshine Coast Regional Hospital District Board - October 17, 2024

AUTHOR: Tina Perreault, Chief Administrative Officer / Chief Financial Officer

SUBJECT: VANCOUVER COASTAL HEALTH (VCH) COST SHARE REQUESTS

RECOMMENDATION(S)

- (1) THAT the report titled Vancouver Coastal Health (VCH) Cost Share Requests be received for information;**
 - (2) AND THAT the Sunshine Coast Regional Hospital District (SCRHD) fund VCH's 40% cost share request for Dishwasher Replacement at the Sechelt Hospital totaling \$870,859 in the amount of \$348,344;**
 - (3) AND THAT the Cost Share Request for Water Resiliency Project be deferred until results of water source testing in Sechelt have been completed;**
 - (4) AND FURTHER THAT the approved project and associated funding be incorporated into the 2025 SCRHD Provisional Budget.**
-

BACKGROUND

VCH came forward with a cost share request at the July 18, 2024 Sunshine Coast Regional Hospital District (SCRHD) Board meeting and the following resolution (excerpt) was passed:

19/24 ...AND THAT staff bring forward a report to the October 2024 Sunshine Coast Regional Hospital District Board meeting with funding options for Vancouver Coastal Health's shíshálh Hospital cost share requests of \$348,344 for Dishwasher Replacement and \$300,000 for Water Resiliency project;

AND FURTHER THAT staff work with Vancouver Coastal Health on the optimization of the water resiliency project.

The purpose of this report is to present a recommended funding source for the cost share request from VCH in preparation of adopting the SCRHD Provisional Budget.

DISCUSSION

Due to delays in the drilling of the fifth test well within the Sunshine Coast Regional District Regional Water Service, it is recommended that the Cost Share Request for Water Resiliency Project be deferred until results of water source testing in Sechelt have been completed. It is recommended to proceed with funding the Dishwasher Replacement cost share request.

Options and Analysis

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. 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. Included in this staff report is a recommendation for funding the dishwasher replacement request through reserve funds.

Reserve Funds (Recommended)

Annual Funding for reserve funds is set at \$275,000 and is held in reserve until such time as the funding is required. A summary of the projected 2025 reserve fund balance has been included in the table below:

| Capital Equipment (>\$150,000) Reserve Fund Summary | |
|---|---------------------|
| Projected 2025 Opening Balance | \$ 2,141,804 |
| Annual Funding Contribution | 275,000 |
| Available for projects in 2025 | 2,416,804 |
| Less funding commitments: | |
| Heat Exchangers | 29,181 |
| Oxygen system upgrade | 42,813 |
| Domestic Hot Water Pipe Replacement | 104,000 |
| Vital #4 Power Distribution Centre | 354,147 |
| Uncommitted balance | \$ 1,886,663 |
| Less: Dishwasher Replacement | \$348,344 |
| Project Final Uncommitted balance | \$1,538,319 |

The purpose of these reserve funds aligns with the proposed project and associated cost share request from VCH. It is recommended that the 40% cost share request of \$348,344 be funded from the Reserve Fund. This would leave a balance of approximately \$1,538,319 remaining in the Fund at the end of 2025.

Timeline for next steps or estimated completion date

Once the SCRHD Board has provided direction on VCH's cost share requests, the 2025 Provisional Budget would be approved accordingly.

STRATEGIC PLAN AND RELATED POLICIES

Reporting and cost share requests follow the structure outlined in the MOU between the Regional Hospital Districts and VCH.

CONCLUSION

In conclusion, it is recommended that the SCRHD Board approve the funding request for the Dishwasher Replacement project, utilizing the Reserve Fund to cover the 40% cost share of \$348,344. However, due to delays in water source testing, the Water Resiliency Project should be postponed until further results are available. The approved projects and their associated

funding will be incorporated into the 2025 Provisional SCRHD Budget following the Board’s direction on VCH’s cost share request.

| | | | |
|--------------|--|-------------|-------------|
| Reviewed by: | | | |
| Manager | | Finance | X-A. Taylor |
| GM | | Legislative | |
| CAO | | Other | |

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT

TO: Sunshine Coast Regional Hospital District Board – October 17, 2024

AUTHOR: Tina Perreault, Chief Administrative Officer / Chief Financial Officer

SUBJECT: **2025 SUNSHINE COAST REGIONAL HOSPITAL DISTRICT (SCRHD) PROVISIONAL BUDGET**

RECOMMENDATION(S)

- (1) THAT the report titled 2025 Sunshine Coast Regional Hospital District (SCRHD) Provisional Budget be received for information;**
 - (2) AND THAT the 2025 SCRHD Provisional Budget including 2025 Vancouver Coastal Health Cost Share request for Dishwasher Replacement (funded from Reserves) be adopted as presented.**
-

BACKGROUND

Per Section 23(1) of the *Hospital District Act*, a 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. Therefore, the figures included in the provisional budget will change after year-end when new property assessments are completed.

The purpose of this report is to approve the SCRHD's 2025 Provisional Budget.

DISCUSSION

Included on this agenda is a staff report outlining the Cost Share Requests that Vancouver Coastal Health (VCH) has put forward. The Draft Provisional Budget has been prepared to show the budgetary implications of approving this cost share request through Reserve funds. This is attached for reference (Attachment A - Provisional Budget).

For 2025, the Provisional Budget includes a projected operating surplus of \$273,814. The surplus is due to planned revenue exceeding planned capital expenditures. This is not an actual surplus but is a requirement of how funding sources are recorded per Public Sector Accounting Standards (PSAS). A balanced budget is maintained as the surplus is offset by other financial sources such as debt repayments and reserve transfers.

Details on individual budget line items are outlined below.

Revenue Highlights

Tax Requisition and Estimated Tax Rate

The projected tax requisition for 2025 has increased by \$49,331 to \$1,559,145 compared to \$1,509,814 in 2024. The increase is associated with a \$27,900 decrease to Current fund investment income which directly offsets taxation revenue.

The estimated residential tax rate (per \$100,000 of assessed value) based on the 2025 Provisional Budget is \$6.82, up from \$6.60 in 2024. This value will change as revised property assessments and final taxation is determined for the final 2025 Budget.

Investment Income

Investment income has been budgeted to decrease to \$150,000 in 2025 down \$32,744 from 2024. This reflects the projected actual interest earned and the change in interest rate 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 actuarial adjustment for 2025 is anticipated to increase by \$33,108 to \$417,223 for 2025.

Expense Highlights

Administration, Bank Charges and Other Expenditures

The Budgeted amount for administration is estimated at \$33,361 for 2025. This is a \$7,535 decrease from 2024 as a result of the projected surplus that expected in 2024. These expenses are budgeted for the reimbursement of administrative costs such as staff wages, Director remuneration and audit fees.

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 2025 there will be \$353,757 in available funding for VCH.

Capital Equipment (>\$150,000)

There is a new cost share request in the amount of \$348,344 from VCH which has been included in the 2025 Provisional Budget (Attachment A). Should the board elect not to approve the cost share request, the total Capital expenditure would be \$530,141.

Annual funding from taxation is set at \$275,000 and is held in reserve until such time as the funding is required. The projected reserve balance for 2025, including the Cost Share Request, is \$1,538,319. Should the board elect not to approve the cost share request, the total projected reserve balance would be \$1,886,663.

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. The projected 2024 major capital fund balance available for use towards projects is anticipated to be \$1,301,007.

Transfers and Other

This category is to align in accordance to Public Sector Accounting Standards. For 2025, repayment of debt consists of a cash payment totaling \$561,836 and the non-cash MFA actuarial adjustment of \$417,223 for a total principal balance reduction of \$979,059. Should the board elect not to approve the cost share request the total Transfer from capital equipment reserve fund would be reduced to \$177,783.

Timeline for next steps or estimated completion date

The Provisional and Final Budgets must be adopted by December 31, 2024 and March 31, 2025 respectively. The Provisional Budget is being presented for approval on October 17, 2024 as it is the last regularly scheduled SCRHD meeting for 2024.

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.

It is recommended that the 2025 Provisional Budget which includes the new VCH cost share request be approved as presented in Attachment A. The final 2025 Budget will be amended for actuals prior to March 31, 2025.

Attachment A - Draft 2025 SCRHD Provisional Budget

| | | | |
|--------------|--|-------------|---------------|
| Reviewed by: | | | |
| Manager | | Finance | X – A. Taylor |
| GM | | Legislative | |
| CAO | | Other | |

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

2025 Provisional Budget

| | 2024 - 2025 | | | |
|---|---------------------|---------------------|---------------------|----------------|
| | Budget 2025 | Budget 2024 | \$ Change | % Change |
| Revenue | | | | |
| Grants in lieu of taxes | \$ 100 | \$ 81 | \$ 19.00 | 23.46% |
| Tax requisitions | \$ 1,559,145 | \$ 1,509,814 | 49,331 | 3.27% |
| Investment income | \$ 150,000 | \$ 182,744 | (32,744) | -17.92% |
| Other revenue - MFA actuarial | \$ 417,223 | \$ 384,115 | 33,108 | 8.62% |
| Other revenue - MFA debt reserve fund payout | \$ - | \$ - | - | 0.00% |
| Total Revenue | \$ 2,126,468 | \$ 2,076,754 | \$ 49,714 | 2.39% |
| Expenses | | | | |
| Administration | \$ 33,361 | \$ 40,896 | (7,535) | -18.42% |
| Bank charges | \$ 40 | \$ 101 | (61) | -60.40% |
| 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) | \$ 353,757 | \$ 887,740 | (533,983) | -60.15% |
| Capital equipment (>\$150,000) | \$ 878,485 | \$ 948,530 | (70,045) | -7.38% |
| Major capital projects | \$ - | \$ - | - | n/a |
| Total Expenses | \$ 1,852,654 | \$ 2,464,278 | \$ (611,624) | -24.82% |
| Operating Surplus/(Deficit) | \$ 273,814 | \$ (387,524) | \$ 661,338 | |
| Transfers and other | | | | |
| Repayment of long-term debt | \$ (979,059) | \$ (945,951) | (33,108) | 3.50% |
| Transfers (to)/from capital equipment reserve fund | \$ 526,127 | \$ 581,972 | (55,845) | -9.60% |
| Transfers (to)/from major capital fund | \$ (54,639) | \$ (45,257) | (9,382) | 20.73% |
| Prior year budget surplus/(deficit) | \$ 233,757 | \$ 796,760 | (563,003) | -70.66% |
| Non-PSAB Budgeted Surplus/(Deficit) | \$ - | \$ - | \$ - | n/a |
| Budgeted Residential Tax Rate (per \$100,000 of assessed value) | \$ 6.82 | \$ 6.60 | \$ 0.22 | 3.27% |

August 20, 2024

TO: Sunshine Coast Regional Hospital District Board,

Vancouver Coastal Health,

At your July 18th SC Regional Hospital District Board meeting, Sunshine Coast Labour Council is pleased to observe the recommendation made by VCH's Planning and Projects for the repurposed usage of Totem Lodge for VCH's Mental Health and Substance Abuse Programming.

Our members witness in the frontline an increasing number of vulnerable young and older adults living with mental illness and addictions who have nowhere to get sufficient help on the coast.

SCLC is endorsing your committee's direction to have:

- The empty locations of Totem Lodge repurposed for adequate Mental Health Services and Programs
- Urgent planning for the future of Shorncliffe for a vital use before decay

SCLC also recommends that VCH offers a training program to develop staff required to operate these facilities at a high standard of care.

Our community is in great need of such facilities and support, we appreciate your leadership in this important matter.

Should you require more information, please feel free to reach us anytime.

Sincerely,

Miyuki Shinkai, President 604.741.8206 / sclabourcouncil@gmail.com

Kathy Christ, Treasurer

Sunshine Coast Labour Council

