

# **NORTH OKANAGAN/COLUMBIA SHUSWAP REGIONAL HOSPITAL DISTRICT**

## **Minutes of a Regular meeting of the North Okanagan/Columbia Shuswap Regional Hospital District Board.**

**Note: The following minutes are subject to correction when endorsed by the Board at the  
next Regular meeting.**

Date: February 5, 2019

Time: 10:00 AM

Location: Regional District of North Okanagan  
9848 Aberdeen Road, Coldstream, BC

Directors Present	D. Brooks-Hill	Area B, CSRD
	P. Demenok	Area C, CSRD
	R. Talbot	Area D, CSRD
	R. Martin (Chair)	Area E, CSRD
	G. Sulz	Revelstoke, CSRD
	C. Eliason	Salmon Arm, CSRD
	M. Makayev	Alt. Director Sicamous CSRD
	S. Fowler	Armstrong, RDNO
	C. Fraser	Spallumcheen
	B. Fleming	Area B, RDNO
	A. Shatzko	Area C, RDNO
	H. Cameron	Area E, RDNO
	D. Delisle	Area F, RDNO
	R. Hoyte	Alt. Director Coldstream, RDNO
	D. Nahal	Vernon, RDNO
	S. Kineshanko	Alt. Director Lumby, RDNO
	D. Hackett	Alt. Director Area D, RDNO
Directors Absent	K. Flynn	City of Salmon Arm, CSRD
	T. Rysz	Sicamous, CSRD
	K. Acton	Lumby, RDNO
	J. Garlick	Coldstream
	B. Schreiner	Enderby, RDNO
	V. Cumming	Vernon, RDNO
	A. Mund	Vernon, RDNO
	B. Quiring	Vernon, RDNO
	R. Fairbairn	Area D, RDNO

Staff	C. Hamilton	Secretary
	L. Shykora	Deputy Mgr., Corporate Admin. (Recorder)
	J. Sham	Assistant Deputy Corporate Officer
	J. Pierce	Manager of Financial Services

## 1. **CALL TO ORDER**

Charles Hamilton, Secretary, NOCSRHD

The Chair called the meeting to order at 10:00 AM.

## 2. **ELECTIONS**

### 2.1 **Election of Chair for 2019**

By Charles Hamilton, Secretary, NOCSRHD

The Secretary called for nominations for the position of Chair, NOCSRHD, for 2019.

Director Eliason nominated Director Martin, who accepted the nomination.

Hearing no further nominations, the Secretary declared Director Martin elected Chair for the Hospital Board for 2019.

### 2.2 **Election of Vice Chair for 2019**

By Charles Hamilton, Secretary, NOCSRHD

The Secretary called for nomination for the position of Vice-Chair, NOSRHD, for 2019.

Director Nahal nominated Director Shatzko, who did not accept.

Director Martin nominated Director Fleming, who accepted the nomination.

Hearing no further nominations, the Secretary declared Director Fleming elected Vice-Chair of the Hospital Board for 2019.

Chair Martin assumed the Chair at this time.

Introductions

## 3. **ADOPTION OF MINUTES**

Alt Director Makayev joined the meeting at 10:04 am.

### 3.1 **Adoption of Minutes**

**H2019-001**

**Moved By** Director Fowler

**Seconded By** Director Delisle

THAT: the minutes of the March 27, 2018 North Okanagan/Columbia Shuswap Regional Hospital District Board be adopted.

**CARRIED**

### **3.2 Business Arising from the Minutes**

None.

## **4. DELEGATIONS**

### **4.1 Interior Health**

Interior Health (IHA) representatives were in attendance to provide an overview of IHA's Capital request, referenced in Correspondence Item 5.2.

The focus of the presentation was the capital funding request and some high level detail on IHA's capital process for the information of new members on the Board.

Richard Harding and Dan Goughnour from IHA presented to the Board.

Major projects for 2019 include Vernon Jubilee Hospital (VJH) MRI, Shuswap Lake General Hospital (SLGH) Medstation Replacement, VJH Autopsy Suite/Morgue Update - planning, and a VJH HVAC Upgrade

Regional Investments include IHA Lab Facilities - Lab Middleware software.

Looking ahead: Routine Capital Investments and Priority Investments. The 2019/2020 request is unusually large.

Presenters answered questions from the Board.

Director Nahal suggested approaching foundations to help with funding.

Mr. Harding responded that foundations do contribute but most foundations prefer to fund new equipment and not replacement or routine costs.

Presenters left the meeting after their presentation.

## **5. CORRESPONDENCE**

### **5.1 BDO Canada LLP (October 19, 2018)**

Letter from Angie Spencer, CPA, CA, from BDO Canada LLP attaching report outlining BDO's audit plan for the audit of the North Okanagan Columbia Shuswap Regional District financial statements.

### **5.2 Interior Health (December 18, 2018)**

Letter from Donna Lommer, VP Support Services & CFO, Interior Health, outlining the Interior Health annual capital requests for 2019/2020 fiscal year.

**H2019-002**

**Moved By** Director Fraser

**Seconded By** Director Delisle

THAT: the correspondence contained on the February 5, 2019 North Okanagan/Columbia Shuswap Regional Hospital District Board Agenda be received.

**CARRIED**

## **6. REPORTS**

### **6.2 2018 NOCSRHD Financial Update**

Report from Jodi Pierce, Manager, Financial Services, dated January 31, 2019.

For Information Only.

### **6.1 2019 NOCSRHD Five Year Financial Plan**

Report from Jodi Pierce, Manager, Financial Services, dated January 31, 2019.

Director Eliason suggests an initial tax increase of 25%, and then 15% and 15% tax increase, similar to Option 2 with partial borrowing.

Manager of Financial Services: Next meeting, the Board needs to adopt a 5 year plan. Staff need direction from the Board.

Secretary: The Board needs to tell IHA what is expected. If the Board says sharpen your pencils, it will give IHA more direction.

**H2019-003****Moved by** Director Eliason**Seconded by** Director Demenok

THAT: the capital request of 6.8 million dollars be reduced to 6 million and there be an initial 25% taxation requisition, the rest from long term borrowing, and set the following two years of tax requisition at 15%.

Discussion on the motion:

Director Fraser asked to split the motion and change the limit and the requisition. Director Eliason not opposed to the splitting of the motion.

**Motion**

THAT: the capital request of 6.8 million dollars be reduced to 6 million dollars.

**VOTE ON MOTION - CARRIED****H2019-004****Moved by** Director Eliason**Seconded by** Director Demenok

THAT: the Board approve Option 2 with a tax increase to a maximum of 25% and the remainder from long term borrowing (none from reserve).

Discussion on motion:

Secretary: if this is an anomaly, then maybe use some reserves but caution if this is the new normal. Board could give staff flexibility to use some reserves with the maximum at the 25% and staff can run a few scenarios.

Manager of Financial Services: not using reserves, the special requests like the MRI, would not be funded without the reserves.

Director Nahal, the Board should be using the reserves to soften the blow. Director Fleming agreed.

Alt. Director Makayev does not support using reserves.

Chair Martin, taxpayers will rarely complain about healthcare but public awareness about why the Board is doing this is needed.

Secretary: need clarity on the use of drawdown reserves. The Board should consider the reserve use, as the public sees it as overtaxation.

Greater faith in the IHA planning letters is needed but here there is a difference in their planning letter and their ask.

Manager of Financial Services: staff identified projects that are eligible for long term borrowing. There are projects that are eligible for long term borrowing but future projects may not be. If the reserves are used this year, there will be a tax spike next year.

**Amendment**

**Moved by** Director Fleming

**Seconded by** Director Cameron

THAT: the Board add the use of reserve funds of \$600,000 to reduce the 25% tax increase in the above motion.

Discussion on the amendment:

Director Eliason, Option 3 includes using \$650,000 from reserves and he is speaking in opposition to the amendment. He could agree with using \$500,000 from the reserves.

Director Fleming, the amended motion is to use reserve funds which would reduce the 25% tax, the remainder being borrowed.

Director Eliason, the full tax request by IHA is for 6.8 million dollars. The 25% tax is to set the precedence to show where it needs to be.

**AMENDED MOTION - DEFEATED**

**Directors Fleming, Cameron, (Alt.) Hackett, Delisle, and Nahal  
– In Favour**

Deputy Manager, Corporate Administration, repeated the main motion of a maximum 25% tax increase with long term borrowing.

**Amendment**

**Moved by** Director Fraser

**Seconded by** Director Nahal

THAT: the Board utilize \$600,000 from the reserve funds to to reduce the long term borrowing.

**AMENDING MOTION – CARRIED**

**Director Demenok – Opposed**

**VOTE ON MOTION AS AMENDED - CARRIED**

**7. BYLAWS**

None.

**8. DATE OF NEXT MEETING**

Tuesday, March 26, 2019 at 10:00 AM  
CSR D Boardroom, 555 Harbourfront Drive NE, Salmon Arm, BC

**9. ADJOURNMENT**

**H2019-005**

**Moved by** Director Fraser

**Seconded by** Director Nahal

THAT: the February 5, 2019 meeting of the North Okanagan/Columbia Shuswap  
Regional Hospital District Board be adjourned.

**CARRIED**

Adjournment at 1:10 PM

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SECRETARY

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CHAIR