

Notice of Meeting and Meeting Agenda Capital Regional Hospital District Board

Wednesday, October 10, 2018

1:30 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

1. APPROVAL OF THE AGENDA

2. ADOPTION OF MINUTES

2.1. [18-539](#) Minutes for Adoption

Recommendation: That the minutes from the June 13, 2018 Capital Regional Hospital District Board meeting and September 5, 2018 Capital Regional Hospital District Board special meeting be adopted as circulated.
(NWA)

Attachments: [Minutes: June 13, 2018 Capital Regional Hospital District Board](#)
[Minutes: September 5, 2018 Capital Regional Hospital District Board Special M](#)

3. REPORT OF THE CHAIR

4. PRESENTATIONS/DELEGATIONS

5. ADMINISTRATION REPORTS

5.1. [18-528](#) Related Third Party Transaction Disclosure [CRHD]

Recommendation: That this report along with the Declaration of Related Party Transactions Form involving Directors, Management and Board be received for information.
(NWA)

Attachments: [Staff Report: Declaration of Related Party Transactions \[CRHD\]](#)
[Appendix A: Declaration Form, Jan. 1 to Nov. 13, 2018](#)
[Appendix B: Declaration Form, Nov. 14 to Dec. 31, 2018](#)

6. BYLAWS

7. NEW BUSINESS

8. MOTION TO CLOSE THE MEETING

8.1. [18-543](#) Motion to Close

Recommendation: That the meeting be closed in accordance with section 90 (1)(g) litigation or potential litigation affecting the regional district [1 item].
(NWA)

9. ADJOURNMENT

Voting Key:

NWA - Non-weighted vote of all Directors

NWP - Non-weighted vote of participants (as listed)

WA - Weighted vote of all Directors

WP - Weighted vote of participants (as listed)

Meeting Minutes

Capital Regional Hospital District Board

Wednesday, June 13, 2018

1:30 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

PRESENT:

DIRECTORS: M. Alto (Chair), S. Brice (Vice Chair), R. Atwell, D. Blackwell, S. Brice, J. Brownoff, B. Desjardins, C. Day (for C. Hamilton), L. Helps, M. Hicks, B. Maberley (for D. Howe), B. Isitt, N. Jensen, W. McIntyre, D. Murdock, C. Plant, S. Price, B. Gramigna (for J. Ranns), D. Screech, L. Seaton, K. Williams, G. Young.

REGRETS: Director Tait

STAFF: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; K. Lorette, General Manager, Planning and Protective Services; S. Bagh, Senior Manager, Regional and Strategic Planning; C. Cullham, Senior Manager, Regional Housing; L. Hutcheson, General Manager, Environmental Sustainability; T. Robbins, General Manager, Integrated Water Services; C. Nielson, Senior Manager, Human Resources; K. Morley, General Manager, Corporate Services; S. Henderson, Senior Manager, Real Estate; E. Gorman, Deputy Corporate Officer; J. Cuthbert, Committee Clerk (Recorder)

The meeting was called to order at 1:30 p.m.

1. APPROVAL OF THE AGENDA

MOVED by Director Plant, **SECONDED** by Director Windsor,
That the agenda be approved as circulated.
CARRIED

2. ADOPTION OF MINUTES

2.1. [18-379](#) Minutes for Adoption

MOVED by Director Brice, **SECONDED** by Director Windsor,
That the minutes from the April 11, 2018 Capital Regional Hospital District Board
be adopted as circulated.
CARRIED

3. REPORT OF THE CHAIR

The chair spoke to the Government Finance Officer's of BC annual conference, on May 30th, and congratulated the Capital Regional Hospital District for being recognized with the association's 2017 award of Excellence in Financial Innovation.

4. PRESENTATIONS/DELEGATIONS

There were none.

5. REPORTS OF COMMITTEES

There were none.

6. ADMINISTRATION REPORTS

- 6.1. [18-336](#) Capital Regional Hospital District 2017 Audited Financial Statements and Audit Findings Report

Mr. Chan spoke to the report.

**MOVED by Director Desjardins, SECONDED by Director Brice,
That the Capital Regional Hospital District Board receive the Audit Findings
Report and approve the 2017 Audited Financial Statements.
CARRIED**

- 6.2. [18-365](#) The Summit at Quadra Village Project
Main Works Packages - Award of Contract CRHD.2018-05-028

Mr. Lorette spoke to the report.
A discussion ensued regarding:
- engagement with the neighbourhood
- design of landscaping
- timeline for public engagement on schoolyard parcel

**MOVED by Director Screech, SECONDED by Director Helps,
That Contract CRHD.2018-05-028 Landscaping for the Summit at Quadra Village
Project be awarded to Acacia Landscape in the amount of \$589,819.50 [excluding
GST] and that a project contingency of \$17,695 [excluding GST] be approved.
CARRIED**

7. BYLAWS

There were none.

8. NEW BUSINESS

There was none.

9. MOTION TO CLOSE THE MEETING

There was none.

10. ADJOURNMENT

**MOVED by Director Brice, SECONDED by Director Helps,
That the meeting be adjourned at 1:43 pm.
CARRIED**

CHAIR

CERTIFIED CORRECT:

COMMITTEE CLERK

Meeting Minutes

Capital Regional Hospital District Board

Wednesday, September 5, 2018

1:50 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

Special Meeting

PRESENT: S. Price (Chair), D. Screech (Vice Chair), C Coleman (for M. Alto), D. Blackwell, S. Brice, J. Brownoff, B. Desjardins, A. Finall, C. Day (for C. Hamilton), L. Helps, M. Hicks, D. Howe, B. Isitt, N. Jensen, W. McIntyre, V. Sanders (for D. Murdock), C. Plant, J. Ranns, K. Williams, G. Young.

REGRETS: Directors Seaton and Atwell

STAFF: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; K. Lorette, General Manager, Planning and Protective Services; L. Hutcheson, General Manager, Environmental Sustainability; K. Morley, General Manager, Corporate Services; T. Robbins, General Manager, Regional Water Services; S. Bagh, Senior Manager, Regional and Strategic Planning; R. Lachance, Senior Manager, Finance; A. Donaldson, Manager, Finance; E. Gorman, Deputy Corporate Officer; J. Cuthbert, Committee Clerk (Recorder)

The meeting was called to order at 3:43 pm.

1. APPROVAL OF THE AGENDA

MOVED by Director Helps, **SECONDED** by Director Screech,
That the agenda be approved as circulated.
CARRIED

2. PRESENTATIONS/DELEGATIONS

There were none.

3. SPECIAL MEETING MATTERS

3.1. [18-461](#) 2019 Capital Regional Hospital District Provisional Budget

MOVED by Director Helps, **SECONDED** by Director Screech,
That the 2019 Capital Regional Hospital District Provisional Budget be approved
as submitted.
CARRIED

3.2. [18-460](#) Capital Regional Hospital District 2019-2028 Ten Year Capital Plan

A discussion ensued regarding the following:
- communication between the CRD and Island Health.
- 2020 Oak Bay Lodge 10 million dollar expenditure

MOVED by Director Helps, **SECONDED** by Director Screech,
That the 2019-2028 Capital Regional Hospital District Capital Plan be approved as
submitted.
CARRIED

4. ADJOURNMENT

MOVED by Director Screech, **SECONDED** by Director Helps,
That the meeting be adjourned at 3:57 pm.
CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

**REPORT TO CAPITAL REGIONAL HOSPITAL DISTRICT BOARD
MEETING OF WEDNESDAY, OCTOBER 10, 2018**

SUBJECT **Related Third Party Transaction Disclosure**

ISSUE

The Capital Regional Hospital District (CRHD) consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. A new standard, section 2200 of the CPA Canada Public Sector Accounting Handbook has recently been released and will apply prospectively to years beginning on or after April 1, 2017. As such, CRHD financial statements with the year ended December 31, 2018, and onwards are impacted by this new standard.

The standard requires disclosure of material transactions between related parties that occur at a value other than fair value. Fair value is the amount of consideration that is agreed upon in an arm's length transaction between willing parties under no compulsion to act.

Materiality has been defined as amounts over \$100k based on signing authority limits within Bylaw No. 4186 Delegation of Purchasing Power 3.(b) vi.

BACKGROUND

The Public Sector Accounting Board (PSAB) initiated this project because the CPA Canada Public Sector Accounting (PSA) Handbook did not have an overarching standard on related party transactions. The new standard reiterates that it is focused on disclosure of information about financially significant related party transactions that effect, or if not recognized, could effect, the reported financial position. The focus on disclosing information is intended to avoid the reporting of "moral hazards" in the financial statements.

A related party for the purposes of this disclosure include:

- key management personnel and their close family members, and
- entities controlled by key management personnel or their close family members.

Definitions

"related party" means one party that has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence.

"related party transaction" means transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. For instance example transactions such as contractual agreements, purchases, asset transfers, leases, lending arrangements, guarantees, etc.

"key management personnel" means individuals who have authority and responsibility for planning, directing and controlling the activities of the entity. Consists of all CRHD board members (including Alternate Directors), the Chief Administrative Officer, and the Executive Leadership Team.

ALTERNATIVES

Alternative 1

That this report along with the *Declaration of Related Party Transactions Form* involving Directors, Management and Board be received for information.

Alternative 2

That the report be referred back to staff for further information.

IMPLICATIONS

The declaration form is to be completed annually by key management personnel commencing with 2018. For 2018 and subsequent election years, the declaration form will need to be completed to cover both the current and incoming CRHD Board (Board). In addition, any identified 2018 related party transactions will need 2017 related party transactions for comparative purposes only.

If a related party transaction meets the criteria for disclosure, the notes of the Summary Financial Statements in the Public Accounts may include details such as:

- Information about the nature of the relationship with related parties involved in related party transactions;
- The types of related party transactions that have been recognized;
- The amounts of the transactions recognized classified by financial statement category;
- The basis of measurement used;
- The amount of outstanding balances and the terms and conditions attached to them;
- Contractual obligations with related parties, separate from other contractual obligations;
- Contingent liabilities involving related parties, separate from other contingent liabilities; and
- The types of related party transactions that have occurred for which no amount has been recognized.

Please note disclosure is not required for key management personnel compensation arrangements, expense allowances and other similar payments routinely paid in exchange for services rendered.

CONCLUSION

A declaration will be requested from each key management personnel to identify related party transactions that may have occurred at a value different from that which would have been arrived at if the parties were unrelated. Transactions will be assessed during the preparation of the annual financial statements and will be disclosed if they have a material financial effect on the financial statements.

As 2018 is an election year, there will be two sets of Board declarations for the fiscal year; one for the 2018 Board and one for the 2019 Board inaugurated in November 2018. All board members serving at any time in 2018 are required to complete the declaration form(s). There will be a declaration for the periods;

1. January 1 through November 13, 2018, and
2. November 14 through December 31, 2018

The signed forms should be returned to Emilie Gorman, Deputy Corporate Officer. If there are any questions relating to the new standard and/or completing the declaration form please contact Emilie Gorman at 250-360-3127.

RECOMMENDATION

That this report along with the *Declaration of Related Party Transactions Form* involving Directors, Management and Board be received for information.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

SE:ngm

Attachments

Appendix A: Declaration of Related Party Transactions Involving Directors and Key Management [CRHD], January 1 to November 13, 2018

Appendix B: Declaration of Related Party Transactions Involving Directors and Key Management [CRHD], November 14 to December 31, 2018

**DECLARATION OF RELATED PARTY TRANSACTIONS
INVOLVING DIRECTORS AND KEY MANAGEMENT**

As per Section 2200 of the CPA Canada Public Sector Accounting Handbook, a declaration is required of related party transaction(s) by:

- key management personnel and their close family members, and
- entities controlled by key management personnel or their close family members.

To the best of your knowledge,

Are you aware of any transactions during **January 1 to November 13, 2018**, between yourself and the Capital Regional Hospital District at a value different than fair value?

Yes No

Are you aware of any transactions during **January 1 to November 13, 2018**, between a close family member and the Capital Regional Hospital District at a value different than fair value?

Yes No

Are you aware of any transactions during **January 1 to November 13, 2018**, between an entity controlled by you or a close family member and Capital Regional Hospital District at a value different than fair value?

Yes No

If answered **Yes** to any of the above questions, please provide a *brief description* of the *type of transaction(s)* that occurred between *the parties* involved, *dates* and the *value* below.

If answered **Yes** to any of the above questions, please provide a *brief description* of the *type of transaction(s)* that occurred between *the parties* involved, *dates* and the *value* if this occurred in **2017** below.

Name (Print)

Signature

Title

Date

**DECLARATION OF RELATED PARTY TRANSACTIONS
INVOLVING DIRECTORS AND KEY MANAGEMENT**

As per Section 2200 of the CPA Canada Public Sector Accounting Handbook, a declaration is required of related party transaction(s) by:

- key management personnel and their close family members, and
- entities controlled by key management personnel or their close family members.

To the best of your knowledge,

Are you aware of any transactions during **November 14 to December 31, 2018**, between yourself and the Capital Regional Hospital District at a value different than fair value?

Yes No

Are you aware of any transactions during **November 14 to December 31, 2018**, between a close family member and the Capital Regional Hospital District at a value different than fair value?

Yes No

Are you aware of any transactions during **November 14 to December 31, 2018**, between an entity controlled by you or a close family member and Capital Regional Hospital District at a value different than fair value?

Yes No

If answered **Yes** to any of the above questions, please provide a *brief description* of the *type of transaction(s)* that occurred between *the parties* involved, *dates* and the *value* below.

If answered **Yes** to any of the above questions, please provide a *brief description* of the *type of transaction(s)* that occurred between *the parties* involved, *dates* and the *value* if this occurred in **2017** below.

Name (Print)

Signature

Title

Date