



**Date:** 31/08/2021

**To:** Chair and Directors, Policy Committee

**And To:** John MacLean, Chief Administrative Officer

**From:** Kevin Erickson, Chief Financial Officer

**Date of Meeting:** Policy Committee\_Sep13\_2021

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## Short Summary:

Review of the Administration Fee Charged to the Cariboo Chilcotin Regional Hospital District

## Voting:

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## Memorandum:

The Cariboo Regional District's Administration Charges Policy is brought forward for the Committee's review. The current policy reads:

- Cariboo Chilcotin Regional Hospital District – will pay \$2,500 annually in respect of insurance premium participation, and \$75,000 annually to the Administrative Services function and all overhead costs associated with administration of the Hospital District shall be borne by the Administrative Services function.

This fee has not changed since 2005. Before 2005, the Administration premium was \$90,000 and the insurance premium was \$2,500. The policy was reviewed in August 2015 with the Administration premium being increased to \$90,000. However, under further review it was reduced to \$70,000 again in September of that year. As such there has been no change to the Administration premium for 16 years.

The main costs the Administration premium cover are staff time processing the Hospital Districts transactions and to cover the costs of the annual audit. For reference, since 2012, based on increases negotiated in the collective agreement, the CRD has experienced a 19% increase to labour costs. Similarly, auditing costs have experienced upward pressure and are now 30% above 2012 levels. As the costs of administering the CCRHD's affairs have and will only continue to increase in the future, the committee may want to consider increasing the fee charged for this service.

## Attachments:

CRD Administration Charges Policy

## Financial Implications:

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## Policy Implications:

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## Alignment with Strategic Plan:

- ☐ **Communication:** Facilitate communication strategies throughout the entire Cariboo Regional District that meet the needs of residents, community stakeholders, and other levels of government.
- ☐ **Planning:** Intentionally plan services and activities of the CRD to prepare for future needs of residents and community stakeholders.
- ☒ **Economic Sustainability:** Foster an environment to ensure the economic sustainability of CRD communities and the region.
- ☒ **Governance:** Ensure that CRD governance policy and practices are intentional, transparent, and respectful.

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## CAO Comments:

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## Options:

- 1) Receipt
- 2) Receipt and further action

## Recommendation:

That the agenda item summary from Kevin Erickson, Chief Financial Officer, dated August 31<sup>st</sup>, 2021, regarding a review of the Administration Fee charged to the Cariboo Chilcotin Regional Hospital District contained in the Cariboo Regional District Administration Charges Policy, be received. *Further action at the discretion of the Committee.*