## **HEABC**

## 1st Annual Report 1993/1994

| Who We Are and What We Do page                      | 2  |
|---|----|
| Report of the Board Chair and President page        | 4  |
| Third Party Activity page                           | 7  |
| Board Representation page                           | 8  |
| Financial Statements page (Dec. 1/93 - March 31/94) | 11 |



#### What is HEABC?

- The Health Employers Association of British Columbia (HEABC) is the result of the December 1, 1993 amalgamation of the Health Labour Relations Association of B.C. (HLRA), the Continuing Care Employee Relations Association (CCERA), and the labour relations division of the B.C. Association of Private Care (Pricare).
- The blending of these three previously separate acute, continuing, and private care organizations into one association is a unique venture. HEABC is the only organization in Canada to represent the full spectrum of health care employers.
- HEABC was formed (under the Society Act) in response to the report of the Korbin Commission of Inquiry into the Public Service and Public Sector. That report recommended that there be one employer organization for all of health care.
- Accordingly, this Association is the bargaining agent for approximately 570 publicly-funded health care employers in B.C.
   Corporde

## What is HEABC's Purpose?

- Through its head office in Vancouver, and regional offices in Kelowna and Victoria, the Association provides human resource, research, labour relations, compensation, and negotiating services and advice to a full spectrum of health care employers.
- Overall, our mandate is to provide a new and united employer approach to health care human resource management, labour relations, and collective bargaining.
- With one employer bargaining agent, the health care sector is better able to achieve a new, and consistent, system of human resource management. The Association will work to ensure fiscal accountability; effective management of human resources; effective coordination and communication between employers, the various public sectors, and the government; and a better balance of union management and employer/employee interests.

#### How DOES HEABC Liaise With Government and Other Public Sectors?

- The Korbin Commission also called for the creation of single employer bargaining agents in the other public sectors including Social Services, Colleges & Institutes, Universities, Crown Corporations and Agencies, and Education (Kindergarten through to Grade 12).
- From there, the Public Sector Employers Council was formed to facilitate communication and coordination between these various sectors.
- In the words of the Korbin Commission, the Council is "an avenue for the government to advise broad public sector employers on its strategic directions and for government to be advised, in a timely manner, of public sector human resource issues". It is also, "a forum of inter-sectoral communication where members can jointly plan to address emerging issues."
- HEABC, the employer representatives from each public sector, government representatives, and a representative from the Public Service, participate on the Council.

#### Who Does HEABC Negotiate With?

- HEABC negotiates with a broad range of unions with certifications in health care. Our goal is to ensure that management achieves operational flexibility while providing competitive total compensation to health care employees.
- More than 80,000 British Columbians are employed by organizations that are represented by HEABC during collective bargaining.
- In all, we negotiate with at least nineteen different unions including the:

B.C. Nurses' Union (BCNU) Hospital Employees' Union (HEU) Health Sciences Association (HSA) B.C. Government Employees Union

B.C. Government Employees Unic (BCGEU) Professional Association of Residents & Internes (PARI) United Food and Commercial Workers (UFCW) Cdn. Union of Public Employees (CUPE)

Professional Employees' Assn. (PEA) Union of Psychiatric Nurses (UPN) United Steelworkers of America

(USWA)
Int'l. Woodworkers of America (IWA)
Vancouver Municipal/Regional
Employees' Union (VMREU)

Int'l. Union of Operating Engineers (IUOE)

Four Trades Groups including:
- International Brotherhood of
Electrical Workers (IBEW)

 United Association of United Association of
Journeymen & Apprentices
of the Plumbing & Fitting
Industry of the U.S. & Canada
 United Brotherhood of
Carpenters & Joiners of America

- Int'l. Brotherhood of Painters & Allied Trades Construction & General Workers Union

(CGWU) Several Employees' Associations

 HEABC negotiated contracts account for 10% of all provincial government expenditures (or one-third of the Ministry of Health's budget).

## Report of the HEABC Board Chair and President

When HEABC was formed, almost one year ago, its mandate was to provide a new, consistent, and fiscally accountable system of human resource management for all health care employers in B.C. Since our formation, we have taken many important steps to not only achieve our mandate, but to solidify a more unified employer path towards change in health care.

Perhaps the most significant step in that regard was our response to the B.C. government's freeze on executive and non-contract compensation. The Association took immediate action to convey your concerns about this freeze directly to the Ministers of Health and Finance. From there, we began an extensive, system-wide job evaluation program to establish equitable compensation levels for executive and non-contract staff. HEABC is making every effort to ensure this high profile issue is resolved on target, by early 1995.

To address your concerns in the interim, we submitted a report to government outlining several compensation inequities affecting non-contract staff that need immediate attention. The government is currently reviewing this report and we anticipate a timely reply.

When the final program is in place, health care employers will have a credible and fully defensible means of establishing fair and affordable compensation levels for this group of staff. The consistent and system-wide salary program will also offer stability to those non-contract staff who will be redeployed to different sectors of health care under the government's restructuring initiatives.

As a further means of maintaining stability in health care, we have also voiced member concerns about the structural problems arising from the health care Accord. The Accord was put in place to facilitate the downsizing process in health care. Ideally, it was meant to provide job security for unionized staff as they are laid off in one sector and relocated, within a reasonable time frame, to another. However, this was not occurring. Employers have carried the costs of these laid off staff for long periods of time before a comparable job is found elsewhere. As a result, we met again with the Minister of Health to keep the government apprised of the labour adjustment difficulties you are facing and to propose solutions to these problems.

To effect some of these solutions, two HEABC senior staff representatives also actively participate as Board members on the Healthcare Labour Adjustment Agency (HLAA). The HLAA provides the registry service which is used to match, or place, laid off employees with available positions. Currently, however, placements are restricted only to health care jobs that fall within the jurisdiction of the Hospital Employees' Union (HEU), the B.C. Nurses' Union (BCNU), and the Health Sciences Association (HSA). Yet the Accord provisions intend that registrants should have access to as many placement opportunities as possible.

To meet the intent of the Accord then, HEABC is lobbying to have other sectors and unions included in this registry program. Such an initiative would help relieve the pressures on the health care system and make the Labour Adjustment Agency more responsive to the people it serves.

The downsizing process not only affects unionized staff, but exempt staff as well. Accordingly, HEABC has undertaken the initiative to administer a Labour Adjustment Program specifically for non-contract staff. Funds for career counselling, job relocation, retraining assistance, benefits continuance, and a supplementary unemployment benefit plan, are some of the ways this program can assist you and your non-contract employees through this period of change and uncertainty.

Our active participation on the newly created Public Sector Employers Council (PSEC) is another way for us to help you through this change and uncertainty. The Council was formed to coordinate employer approaches on a wide variety of fiscal and human resource matters in each of the public sectors. PSEC also serves to formalize the bargaining mandate approval process previously undertaken with government. As one of the more established employer organizations on the Council, HEABC is well-positioned to advance the health care perspective on a number of high profile issues such as executive/non-contract compensation, pay equity, lower wage redress, and collective bargaining objectives.

Our strategic planning endeavours will ensure we continue to keep in touch with your perspectives on the various issues affecting our sector. Earlier this year, our Board identified the key issues that need immediate attention if we are to help you successfully manage the changes ahead. The following issues form the basis of that plan:

- Regionalization
- The Definition of HEABC's Role (scope/advocacy)
- Executive/Non-Contract Compensation
- Collective Bargaining: 1996 Mandate
- Relationship with Government
- · Managing the Accord
- Workers Compensation Board: Occupational Health and Safety (OH&S) issues
- Staff Clarity of Vision/Terms and Conditions of Employment/Morale
- Internal and External Communications

As outlined in this report, we have already achieved results in many of these areas.

Improving our communication links with members, government, and the unions will be an integral element in the overall success of our strategic plan. To help set all players in a similar direction for managing these initiatives, we hosted a "Healthy Leaders: Redesigning our Approach to Management" meeting. A representative sample of health care employers, government officials, and several interested employer and union groups met to coordinate ideas on how best to approach change.



One of the key concepts emanating from this meeting was to catalogue and share some of the "best human resource practices" information in health care. To implement this initiative and the other innovative ideas that were generated, this group will hold further meetings in the near future.

In-keeping with that best human resource practices concept, we are also gaining insights into how members have already adapted to accommodate regionalization. Several members participated in a meeting to share information on implementing service delivery changes. From that meeting, a comprehensive list of significant issues were developed that will require further action.

Creative and innovative solutions to such issues are required as health care employers face the challenges of economic reality. HEABC will encourage and support our members as they reshape the delivery of their health care services to provide optimal services to the health care consumer.

Throughout the implementation of our strategic plans, HEABC will not lose sight of our focus on a "pro-care" approach to service. This means that HEABC will consider the effect on health care consumers when providing services to our members and during negotiations.

To underscore our commitment to this strategic approach, and to meet our legislated mandate, we are re-allocating HEABC's existing resources to include the following new services:

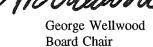
- a) Accord/New Directions/Staffing/Non-Contract Labour Adjustment Services,
- b) Leave Management Services,
- c) Workers Compensation Board Services, and
- d) Non-Contract/Executive Compensation Services

These new services will help provide you with a clear direction in adopting fiscally accountable human resource practices. To help keep quality care in focus, we will continue to work to provide member sensitive and responsive services in a timely manner.

Although we are a government-funded organization, our efforts on your behalf over this past year have shown HEABC to truly be a member-driven organization.

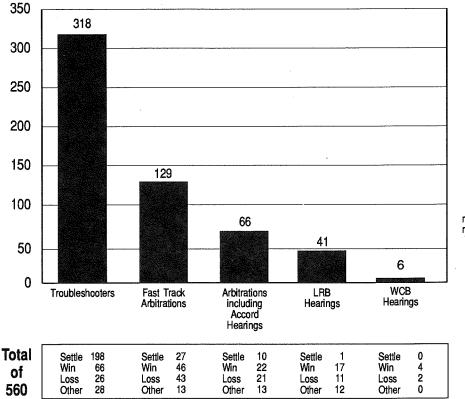
As we move toward a new phase of our development, we will continue to serve you as a strong employer advocate for positive change in health care. We count on your support over the coming year as we work to balance the changing needs of our members with the various directives we receive from government.





dary A. Meser Pesident and CEO

## Total Third Party Decisions Received 10-Month Period Dec. 1, 1993 to Sept. 30, 1994



HEABC also actively represented our members at the WCB hearings regarding draft Ergonomics Regulations.

### Single Member Negotiations

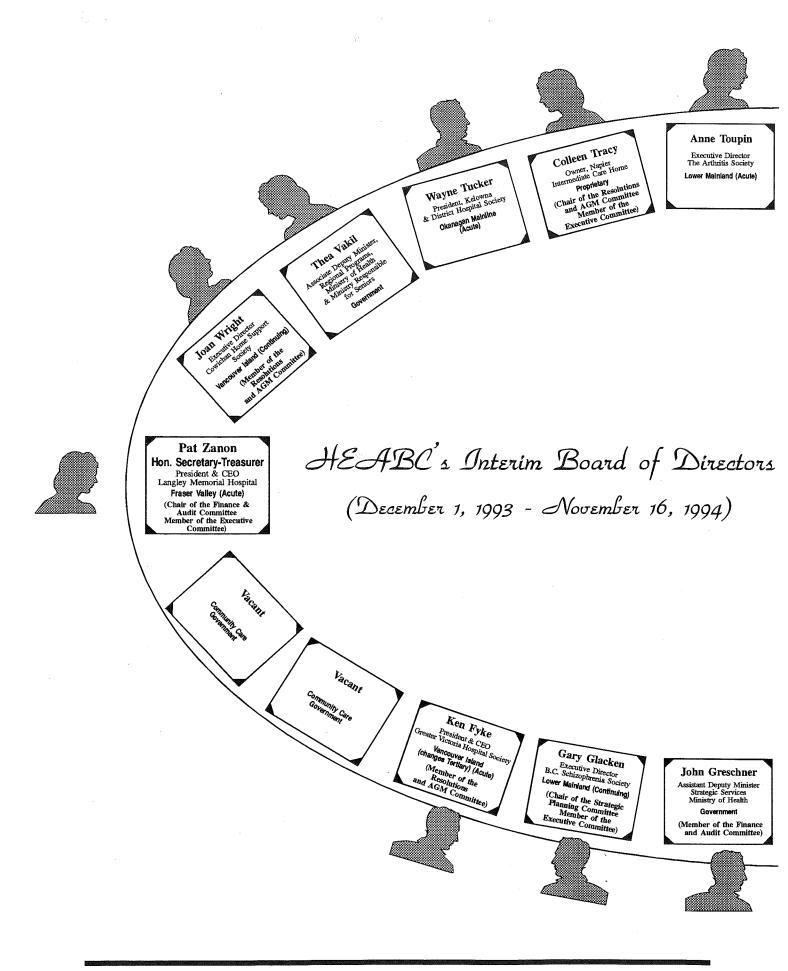
• HEABC concluded 63 of the 155 single member negotiations undertaken between December 1, 1993 and September 30, 1994.

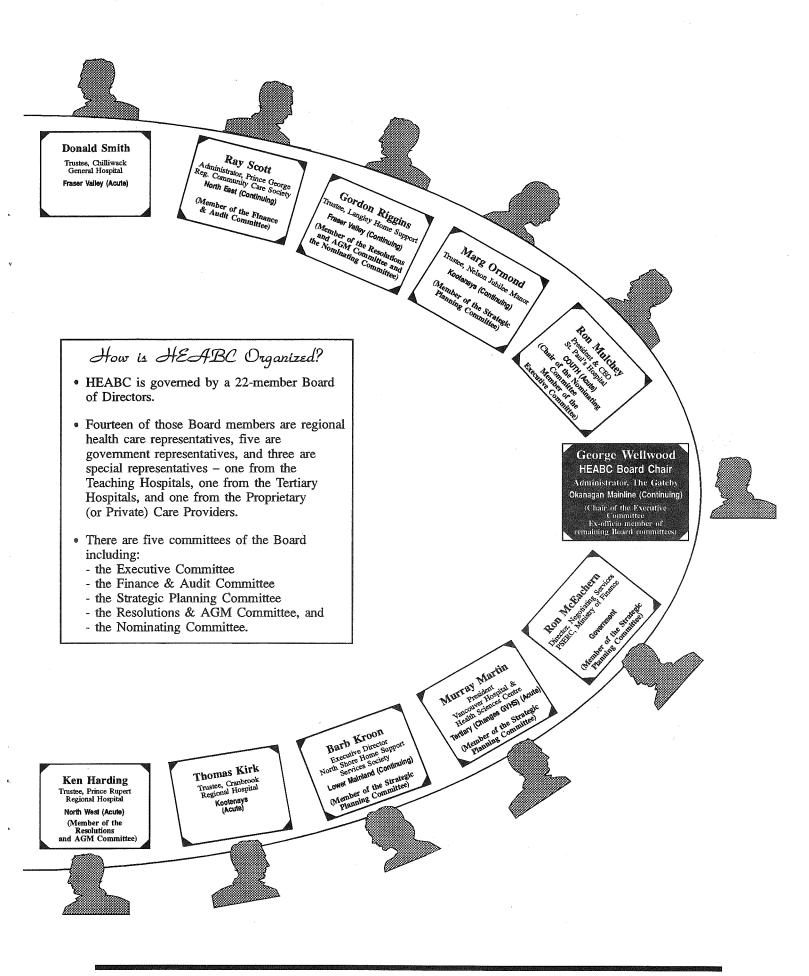
#### Collective Negotiations

- In addition, the terms of the Health Care Accord were negotiated into the Standard Agreements with both the Hospital Employees' Union (HEU) and the B.C. Nurses' Union (BCNU).
- The Long Term Care Standard Agreement negotiations between HEABC and the B.C. Government Employees' Union (BCGEU) were also completed during this period.
- Bargaining discussions to conclude the Home Support Standard Agreements with both the United Food and Commercial Workers (UFCW) and the BCGEU were undertaken. A tentative agreement was reached with UFCW. The discussions with BCGEU continue.

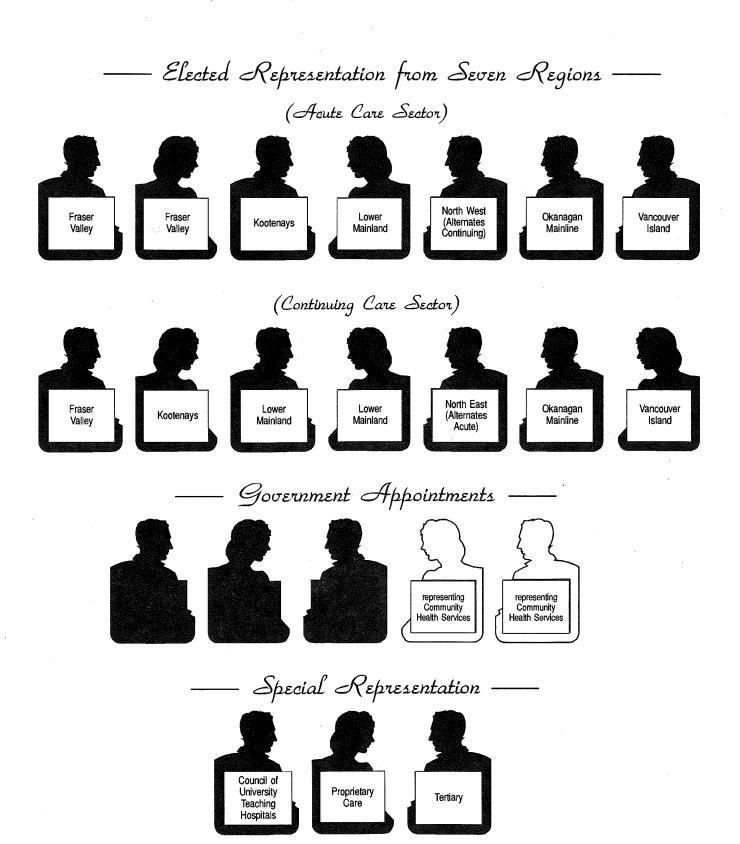
## Pay Equity Projects

 1994 also saw the finalization and implementation of the Master Agreement pay equity programs with both the BCNU and the HEU.





## How Seats are Allocated on HEABC's 22-Member Board



FINANCIAL STATEMENTS

March 31, 1994

# Deloitte & Touche

Suite 2000 1055 Dunsmuir Street P.O. Box 49279 Four Bentall Centre Vancouver, British Columbia V7X 1P4 Telephone: (604) 669-4466 Facsimile: (604) 685-0395

#### **AUDITORS' REPORT**

To the Members of Health Employers Association of British Columbia

We have audited the balance sheet of Health Employers Association of British Columbia as at March 31, 1994 and the statements of equity, revenues and expenditures and changes in financial position for the four months then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 1994 and the results of its operations and the changes in its financial position for the four months then ended in accordance with generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding period.

**Chartered Accountants** 

Vancouver, British Columbia August 5, 1994

Notatte & Levele

## HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA BALANCE SHEET

as at March 31, 1994

|   | Notes | •                 |
|---|-------|-------------------|
| CURRENT ASSETS  |       |                   |
| Cash  |       | \$ 640,169        |
| Short-term investments Accounts receivable                    |       | 1,587,562         |
| Prepaid expenses  |       | 109,743           |
| Tropaid expenses  |       | 27,876            |
|   |       | 2,365,350         |
| Capital assets  | 3     | 476,815           |
|   |       |                   |
|   |       | \$2,842,165       |
| CURRENT LIABULTICO  |       |                   |
| CURRENT LIABILITIES  Accounts payable and accrued liabilities |       |                   |
| Accrued vacation payable                                      |       | \$ 577,908        |
| Accrued staff illness bank payable                            |       | 208,377<br>79,059 |
| Deferred rent inducement                                      | ,     | 79,059<br>19,274  |
| Deferred pay equity grant                                     | 4     | 761,640           |
| Current portion of long-term debt                             | 5     | 36,491            |
|   |       |                   |
|   |       | 1,682,749         |
| Deferred rent inducement                                      |       | 35,335            |
| Long-term debt  | 5     | 19,253            |
| Liability under severance plan                                |       | 48,179            |
|   |       |                   |
|   |       | 1,785,516         |
| MEMBER'S EQUITY   |       |                   |
| Equity  |       | 1,056,649         |
|   |       | \$2,842,165       |
|   |       |                   |
| Commitments and contingencies                                 | 6     |                   |
|   |       |                   |
|   | •     |                   |
| On behaff of the Board:                                       |       |                   |
| 18M Menon 1   |       |                   |
| Director  |       |                   |
| /// Nierror   |       |                   |
| Director  |       |                   |
|   |       |                   |

#### STATEMENT OF EQUITY

four months ended March 31, 1994

| Excess of revenues over expenditures | 271,486    |
|--------------------------------------|------------|
| Equity, beginning of period          | \$ 785,163 |
|                                      |            |
|                                      |            |

#### HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA STATEMENT OF REVENUES AND EXPENDITURES four months ended March 31, 1994

|  | Notes       |
|--|-------------|
| Revenue                                    |             |
| Members' assessments                       | \$1,930,457 |
| Membership fees                            | 599,633     |
| Fee for service                            | 4,638       |
| Administration fee                         | 51,785      |
| Interest and other revenue                 | 15,563      |
|  | 2,602,076   |
| Pay equity government grant                | 4 130,273   |
|  |             |
| Total revenues                             | 2,732,349   |
|  |             |
| Expenditures                               |             |
| General operations                         |             |
| Salaries and benefits                      | 1,427,499   |
| Travel and meetings                        |             |
| Negotiations                               | 29,352      |
| Member servicing                           | 72,751      |
| Board and volunteers                       | 14,674      |
| Arbitration and hearing costs              | 58,859      |
| Legal and professional                     | 77,927      |
| Recruiting and relocation                  | 38,518      |
| Outside staff                              | 53,482      |
| Staff training - research and memberships  | 20,223      |
| Office expenses, printing and reproduction | 109,591     |
| Rental - office and equipment              | 267,826     |
| Amortization                               | 45,967      |
| Special projects                           | 113,921     |
|  | 2,330,590   |
| Non-general operations                     | 2,330,330   |
| Pay equity                                 | 4 130,273   |
| i ay equity                                | 4 130,273   |
| Total expenditures                         | 2,460,863   |
| EXCESS OF REVENUES OVER EXPENDITURES       | \$ 271,486  |

## STATEMENT OF CHANGES IN FINANCIAL POSITION four months ended March 31, 1994

| NET | INFLO | W (OUTF | LOW)  | OF  | <b>CASH</b> | RELATE | D |
|-----|-------|---------|-------|-----|-------------|--------|---|
| T   | O THE | FOLLOW  | ING A | CTI | VITIES      | :      |   |

| TO THE FOLLOWING ACTIVITIES:                   |                    |
|--|--------------------|
| OPERATING                                      |                    |
| Excess of revenues over expenditures           | \$ 271,486         |
| Add/deduct items not involving cash:           | ,,                 |
| Amortization                                   | 45,967             |
| Deferred rent inducement                       | (4,741)            |
|  |                    |
|  | 312,712            |
| Changes in non-cash working capital balances   |                    |
| Accounts receivable                            | 308,515            |
| Prepaid expenses                               | (3,452)            |
| Accounts payable and accrued liabilities       | (5,083)            |
| Prepaid assessments                            | (488,135)          |
| Vacation payable<br>Staff illness bank payable | 76,480             |
| Deferred pay equity grant                      | (18,800)           |
| Current portion of long-term debt              | (130,273)          |
| Content portion or long-term debt              | 1,458              |
|  | 53,422             |
|  |                    |
|  |                    |
| FINANCING                                      |                    |
| Decrease in long-term debt                     | (12,768)           |
| Increase in liability under severance plan     | 3,116              |
|  |                    |
|  | (9,652)            |
|  |                    |
| INVESTING                                      |                    |
|  | 1070 a70)          |
| Purchase of capital assets                     | (273,479)          |
| NET CASH (OUTFLOW)                             | 1220 700)          |
| NET CASH (OUT LOW)                             | (229,709)          |
| CASH POSITION, AS AT AMALGAMATION DATE         | 2,457,440          |
|  | 3,197,119          |
| CASH POSITION, END OF YEAR                     | \$2,227,731        |
|  |                    |
|  |                    |
| Represented by:                                |                    |
| Cash   | \$ 640,169         |
| Short-term investments                         | 1,587,562          |
|  |                    |
|  | <u>\$2,227,731</u> |

## NOTES TO THE FINANCIAL STATEMENTS

four months ended March 31, 1994

#### 1. FUTURE OPERATIONS

The Health Employers Association of British Columbia ("HEABC") is a non-profit, non-government body formed under the Society Act (British Columbia) so that there be one employer organization for all of health care. HEABC is the result of the amalgamation of the Health Labour Relations Association of B.C. ("HLRA"), the Continuing Care Employee Relations Association of B.C., ("CCERA"), and the labour relations division of the B.C. Association of Private Care ("Pricare") effective December 1, 1993.

Pursuant to Section 17 of the Society Act, the assets, liabilities and operations of HLRA and CCERA were assumed by HEABC. The statement of revenues and expenditures for this period consists of four months of operations since the amalgamation date. Data for the 1993 comparative four-month period is not presented due to the impracticability of obtaining such information.

HEABC is the bargaining agent for member health care organizations and provides human resource, labour relations, and negotiating services and advice to a full spectrum of health care employers.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Capital assets

Capital assets are recorded at cost. Amortization is provided on the following basis:

Furniture and non-data processing equipment

20% declining balance

Data processing equipment

Straight-line over 3 years

Leasehold improvements

Straight-line over the term of the lease

#### b) Accrued benefits

The estimated liability for vacation payable, staff illness bank payable and severance pay is recorded as the benefits are earned.

#### c) Revenue recognition

Members' assessments have been recognized as revenue in the fiscal year in which they were due.

#### d) Deferred rent inducement

Deferred rent inducement is amortized as a reduction of rent expense over the initial term of the lease.

#### e) Deferred pay equity grant

This amount is taken into income as the related expenses are incurred.

NOTES TO THE FINANCIAL STATEMENTS four months ended March 31, 1994

#### 3. CAPITAL ASSETS

|                           | Cost               | Accumulated<br>amortization | Net book<br>value |
|---------------------------|--------------------|-----------------------------|-------------------|
| Furniture and fixtures    | \$ 403,628         | \$ 261,350                  | \$ 142,278        |
| Equipment                 | 249,462            | 155,286                     | 94,176            |
| Data processing equipment | 515,895            | 281,635                     | 234,260           |
| Leasehold improvements    | 13,358             | 7,257                       | 6,101             |
|                           | <u>\$1,182,343</u> | \$ 705,528                  | \$ <b>476,815</b> |

#### 4. PAY EQUITY GRANT

The deferred pay equity grant consists of the unexpended portion of a government grant received to administer programs to redress gender-based wage discrimination for bargaining unit positions under the HEABC/BCNU, HEABC/HEU and HEABC/HSA Master Collective Agreements. The pay equity projects, which commenced in 1991, use job evaluation systems to identify inequities between the relative value of jobs and the wages paid when compared on a gender basis. The HSA pay equity project was completed in 1993. The BCNU and HEU pay equity projects are expected to be completed some time in 1994.

#### 5. LONG-TERM DEBT

| Bank loan repayable in monthly instalments of \$1,416 including principal and interest; interest at 11%          | \$19,967                |
|--|-------------------------|
| Capital lease - repayable in monthly instalments of \$1,961 including principal and interest; interest at 11.25% | <u>35,777</u>           |
| Less: current portion  | 55,744<br><u>36,491</u> |
|  | <u>\$19,253</u>         |

The above amounts include principal and accrued interest to March 31, 1994.

#### NOTES TO THE FINANCIAL STATEMENTS

four months ended March 31, 1994

#### 6. COMMITMENTS AND CONTINGENCIES

#### i) Lease commitments

HEABC has an operating lease, expiring during 2008, in respect of its head office premises. HEABC also leases vehicles and data processing equipment under operating leases which expire at various dates to 1996. Future minimum lease payments, exclusive of operating costs, for each of the next five years ended March 31 and thereafter are as follows:

| 1995       | \$ 814,733       |
|------------|------------------|
| 1996       | 903,829          |
| 1997       | 932,877          |
| 1998       | 867,328          |
| 1999       | 870,428          |
| Thereafter | <u>8,570,588</u> |
|            |                  |

\$12,959,783

The future minimum lease payments include amounts relating to office space which has been subleased to the Healthcare Benefit Trust and office space which has been subleased to the Community Social Services Employers Association.

#### ii) Contingencies

- a) There are two potential legal claims which may be brought against HEABC by former employees. Neither the amounts of the claims nor the outcome of any possible related litigation are known at this time. Future payments, if any, will be treated in the accounts as a prior period adjustment.
- b) HEABC is responsible for its allocated share of the unfunded liability of the Municipal Superannuation Plan. The amount and method of funding the liability has not yet been determined. When the amount is known, it will be treated in the accounts as a prior period adjustment.

#### iii) Non-contract Labour Adjustment Program

HEABC is administering \$700,000 in trust for the Ministry of Health with respect to the Non-contract Labour Adjustment Program. This program has been set up to assist non-contract employees displaced (as a result of down-sizing) from facilities covered by the Master Collective Agreements. HEABC is administering the program through an Advisory Committee.

The use of these funds is restricted to administering the program as described.

## Head Office

200 - 1333 West Broadway Vancouver British Columbia V6H 4C6

Phone: 736-5909 Fax: 736-2715

## Regional Offices

205 - 2622 Pandosy Street Kelowna British Columbia V1Y 1V6

Phone: 862-3030 Fax: 763-6675

302 - 3371 Oak Street Victoria British Columbia V8X 1R2

Phone: 475-2290 Fax: 475-2097