





**Health Employers Association  
of British Columbia**

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(April 1, 1994 - March 31, 1995)	



## *What is HEABC?*



HEABC Finance & Administrative Services

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. The report outlined a process for the creation of a single organization to coordinate the human resource and labour relations interests of health care employers.

On December 1, 1993, HEABC became that singular employer organization through the amalgamation of the Continuing Care Employee Relations Association (CCERA), the Health Labour Relations Association (HLRA) and the labour relations division of the B.C. Association of Private Care (Pricare).

HEABC is the first and only organization in Canada to represent the full spectrum of health care employers. Our services are provided to a diverse group of approximately 656 publicly-funded health care employers.

## *What is HEABC's Purpose?*

Through its head office in Vancouver and regional offices in Kelowna and Victoria, the Association provides services and advice on human resource, research, labour relations, compensation and bargaining issues.

Overall, our mandate is to provide a consistent and united employer approach to health care human resource management, labour relations and collective bargaining.

The Association works to ensure fiscal accountability, effective management of human resources, effective coordination and communication between employers, the various public sectors, and a better balance of union/management and employer/employee interests.

HEABC Compensation Services



## *How Does HEABC Liaise with Government and Other Public Sectors?*

HEABC Research Services



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, 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 currently negotiates with approximately nineteen different unions. That bargaining landscape will change considerably however, with the recent release of the report of the Health Sector Labour Relations Commissioner (Jim Dorsey).

Mr. Dorsey — who was appointed earlier this year by the Minister of Skills, Training and Labour (*under the Health Authorities Act*) — was asked to create a collective bargaining and union representation model to facilitate service integration within health care. His report responded to an earlier recommendation made by the Royal Commission on Health Care and Costs for a reduction in the number of unions in health care.

Finalized by government regulation on August 4, 1995, Mr. Dorsey's recommendations will reduce the number of bargaining units in this sector from approximately 900 to 10 by March 31, 1996. As a result, when the current 200 or so health care collective agreements expire, those agreements will be replaced by a total of five. The five bargaining units to be involved in negotiating these agreements are described as:

HEABC Labour Relations Services



1. **Residents**  
(represented by the Professional Association of Residents of B.C. [PAR-BC]).
2. **Nurses**  
(represented by the B.C. Nurses' Union [BCNU]).
3. **Paramedical Professionals**  
(represented by an Association between the B.C. Government and Service Employees' Union [BCGEU] and the Health Sciences Association [HSA]).
4. **Health Services and Support - Facilities Subsector**  
(represented by an Association between the BCGEU, the Hospital Employees' Union [HEU], and the International Union of Operating Engineers [IUOE]).  
*[The facilities subsector includes organizations in acute care, extended and long term care, the Arthritis Society, the Canadian Red Cross Society, the B.C. Cancer Agency, Cumberland and Tilbury Laundries, and Diagnostic and Treatment Centres].*
5. **Health Services and Support - Community Subsector**  
(represented by an Association between the BCGEU, HEU and the United Food and Commercial Workers Union [UFCW]).  
*[The community subsector includes adult day care centres, child development centres, community service agencies, drug and alcohol, home support, mental health, Regional Health Boards, and Community Health Councils].*

Five of the seven trade unions operating within this structure will each hold one province-wide multi-employer certification, while HEU holds two and the BCGEU holds three.



## *Combined Report of the HEABC Board Chair and Chief Executive Officer*

The primary focus of our operations this year has been the “rounding out” of issues to assist our members in obtaining a clearer vision of the future.

Many new concepts emerged from the “New Directions” initiative introduced by the provincial government the previous year.

Our role during this current year was to deal with those concepts in a more applied manner. In particular, to inject a strong voice on behalf of our members and, to the greatest of our ability, to provide direction and focus to members during times of uncertainty.

Our goal was to polish the raw edges of change to help shape a smoother path for health care employers and their employees.

The members of HEABC have provided important direction to the staff and to the Board of Directors during this process. Through broad consultation we have sought your input and we have been successful in promoting your views on a number of fronts.

We hope we have also been successful in “rounding out” these numerous concepts into workable realities.

The most pivotal issue we faced during the year was the reduction and re-shaping of union representation in the health care sector. The fragmented and rigid unionized structure that existed could not accommodate health care reform. Thus, with the integration of services and the move towards a common employer for multiple health care organizations, the provincial government determined that a more flexible and manageable union environment was needed.

To determine what that environment should look like, the government appointed Health Sector Labour Relations Commissioner, Jim Dorsey, to undertake a review of this matter. Interested parties, including HEABC, were given an opportunity to provide their input.

To advance the employer perspective, HEABC established a 15-member Industry Advisory Committee on the Transition to Regionalization (IACR).

Mr. Dorsey did, in fact, embrace a number of the employer recommendations put forward. In those areas where his findings did not accommodate the wishes of our membership, we clearly communicated our concerns and will continue to do so.

The recommendations, which were finalized by government regulation in August, will significantly alter the bargaining environment in 1996.

By March 31, 1996, ten bargaining units will replace the approximately 900 separate certifications, or bargaining units, that exist now. Five bargaining entities, some comprised of associations of unions, will represent those 10 bargaining units. As a result, only five collective agreements will emerge when the 200 or so existing collective agreements expire.



In conjunction with the evolution of this new union model, a new employer structure is evolving under Regional Health Boards, or Community Health Councils as the case may be.

With the Master Agreements and Standard Agreements also set to expire on March 31, 1996, these simultaneous changes add an interesting and challenging dynamic to our planning process; not to mention an element of uncertainty for employers and health care workers alike.

To ensure a well-positioned approach to the increased scale of negotiations that await, HEABC sought feedback from all members through regional pre-bargaining meetings held throughout the province. The strategic direction and projections we received will guide discussions at our upcoming Negotiations Planning Session.

To broaden our scope of the issues we also consulted nationally with our counterpart organizations in other provinces. As host of the National Health Care Labour Relations Conference this year, HEABC facilitated discussion on the national and global implications of health care reform.

Regional Pre-Bargaining Meetings



As an extension of our negotiations preparations the Association, along with 57 health care employers, participated in a Labour Relations Board (LRB) conference aimed at streamlining the essential services designation process. Employer, union and LRB delegates outlined their respective concerns and insights about this matter.

On your behalf, HEABC is communicating with the LRB to smooth out the rough edges and ensure the future essential services designation process adequately addresses the employer concerns.

We will also work with members to ensure the upcoming designation process is as straightforward and effective as possible.

To secure our best response to this, and several other high profile human resource and labour relations issues, HEABC has undertaken a restructuring initiative which eliminates duplication of effort and brings a stronger focus to our members through education sessions, bargaining and third party representation.

A key piece of this restructuring involved the identification of twenty-four significant topics. Consultant teams were assigned to develop areas of expertise on each of these issues. Generally, these topics fall under the blanket headings of:

the Accord	Legislative Changes
Regionalization	Collective Agreement Administration
Bargaining	Human Resource Management
Certification Matters	

One area where this focus has contributed to success is in the area of Accord third party hearings. Our attention to this issue has resulted in the employer's position and interpretation being upheld in the majority of third party cases presented.

On another area of focus, HEABC has undertaken a substantial initiative to develop a fully defensible Non-Contract/Executive Compensation Plan for health care employers. We were heavily dependent upon members to guide the development of this process. Two committees were drawn from the membership; one a Technical Committee comprised of human resource practitioners and the other an Advisory Committee comprised of Board representatives from member organizations.

Through their input and our lobbying efforts we were able to convince the provincial government to thaw its freeze on salaries for non-contract staff earning less than \$100,000. Movement was also allowed for:

- non-contract positions that were equivalent to bargaining unit positions;
- salary ranges established prior to March 17, 1994;
- job functions that change as a result of a bona fide reorganization of duties;
- promotions; and
- where compression or inversion exists between a supervisor's position and that of a unionized subordinate.

The Plan itself met with favourable reaction from members at informational sessions held in the spring and when shared with the other public sector employer associations.

Overall, the Plan's findings reinforce the responsible manner in which health care employers have determined salary levels.

Approved by the HEABC Board in September, we now look forward to a favourable response to the Plan from the Public Sector Employers Council.

Our only regret in developing this compensation plan is the length of time required to do the job properly. We thank our member employers for their patience and assistance in completing surveys and participating on committees.

We have also concentrated on facilitating a more consistent, coordinated and expert employer approach to human resource management.

To begin the process, HEABC introduced a new communications tool called "Roadmaps". "HEABC Roadmaps" provide health care employers with "at-a-glance" guidelines for managing a number of human resource and labour relations issues. Published periodically, these roadmaps act as an easy reference tool and provide for consistent application throughout the health care sector.

A template personnel policies and procedures manual was also produced with the assistance of member feedback. This template provides members with a starting point for

IACTR Group





a more unified employer approach to human resource management and represents a compilation of best practices provided by our members.

Adding to this undertaking, the Industry Advisory Committee on the Transition to Regionalization is also working with HEABC to develop a long range strategic plan for the overall management of health care human resources. To complement the technical representation on the Committee four additional human resource practitioners were added from member employers.

As a means of incorporating this type of industry expertise "closer to home", HEABC has arranged (on a temporary secondment basis) for two payroll experts from our membership to assist HEABC staff in developing a payroll manual. The project involves conducting an article by article review of the HEABC Master and Standard Collective Agreements to determine which specific articles have payroll implications and then outlining what those implications are. Once completed, the resulting manual will provide members with the necessary guidance for the consistent interpretation and resolution of health care payroll issues.

We have also cooperated with the provincial government to develop a database to facilitate and improve cost-reporting mechanisms for health care employers. The database, referred to as the Health Sector Compensation Information System (HSCIS), is intended to streamline and enhance the funding and collective bargaining costing processes. It will also provide Regional Health Boards and Community Health Councils with information support for local health management.

By centralizing the collection and analysis of data, the HSCIS will also reduce the duplication of reporting requirements for members.

Another project HEABC will soon embark on is designed to attract doctors to remote areas. Funded by the Ministry of Health, the "Physician Recruitment" project is expected to generate innovative solutions to the growing problem of attracting quality doctors to rural areas.

To ensure we continue to provide member sensitive and responsive services to those issues outlined above, and new issues that await, the Board has set out detailed action plans for staff to follow in the following global areas:

1. Regionalization
2. Accord
3. Non-Contract/Executive Compensation
4. HEABC Role, Scope and Mandate

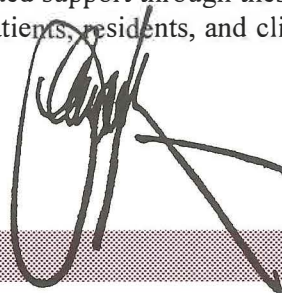
Recognizing that change is always inevitable, we are constantly adapting these strategic directions to best meet your needs.

Even the best laid plans, however, cannot anticipate what shape that change will actually take. But rest assured that the HEABC Board and staff will continue to represent the interests of our membership as we meet the challenges facing us in the coming year.

We extend our appreciation to the membership for your continued support through these ever changing times. Your dedication to providing the best level of health care to patients, residents, and clients is a credit to the health care system.



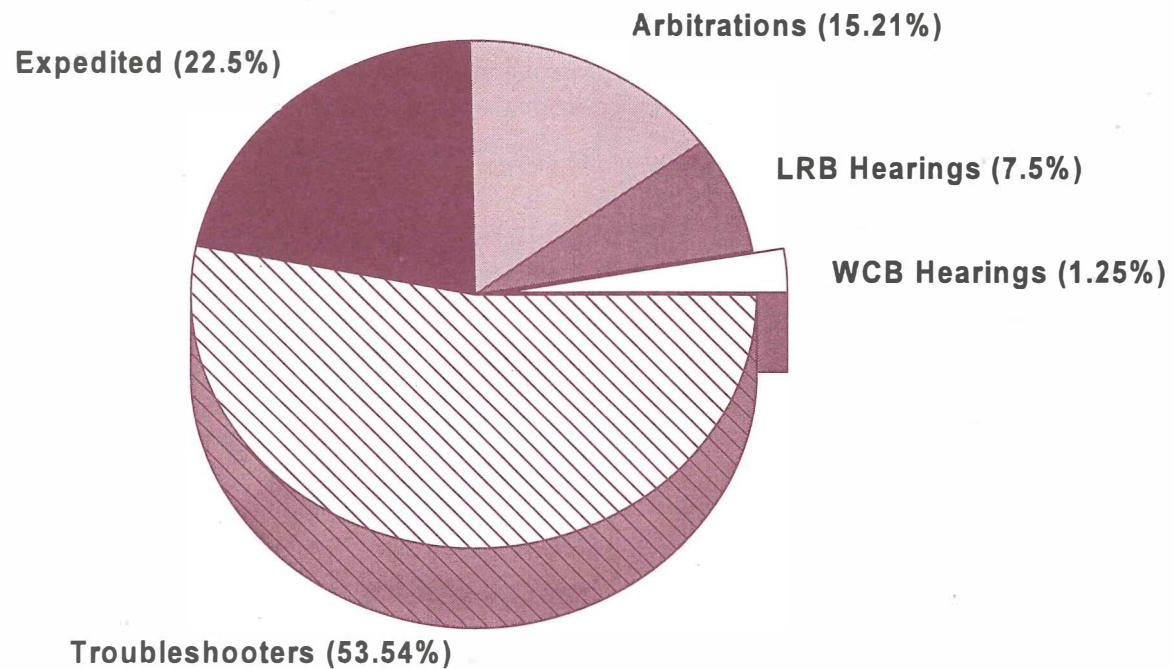
George Wellwood  
Board Chair



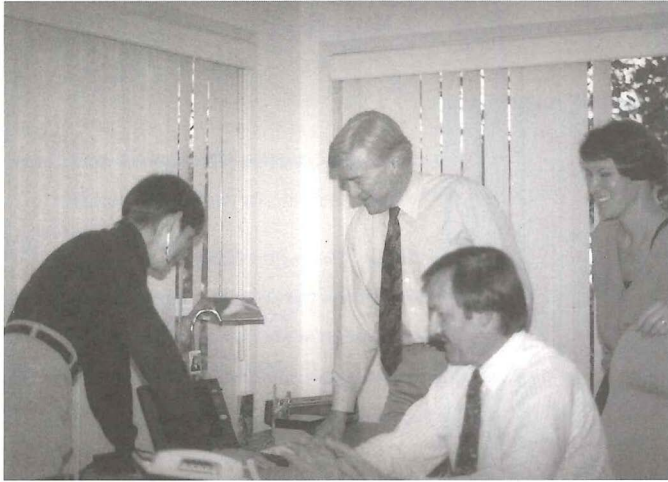
Gary Moser  
President and CEO

# *Third Party Decisions Received*

[480 between October 1, 1994 to September 30, 1995]







## *Single Member Negotiations*

HEABC concluded 41 of 68 (approximately 60%) single member negotiations undertaken between October 1, 1994 and September 30, 1995.

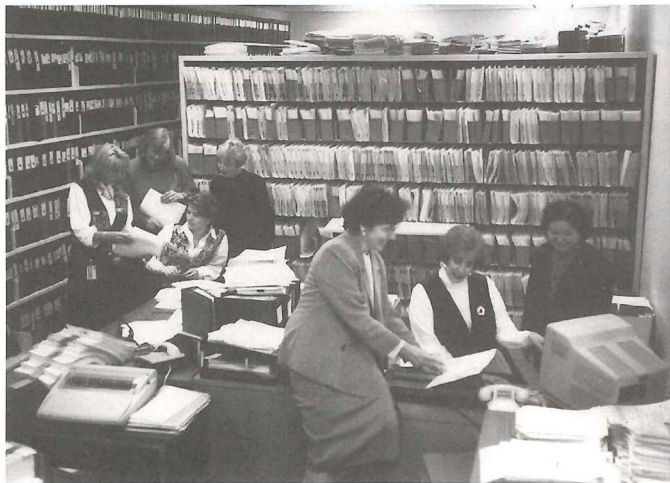
HEABC Kelowna Regional Office



## *Collective Agreement Negotiations*

The BCGEU Home Support Standard Agreement was finally settled in May, 1995. The agreement contains the same compensation provisions as the UFCW Home Support Standard Agreement negotiated earlier.

HEABC Central Records and Word Processing



## *Certifications*

There were 39 new certifications in the period October 1, 1994 to September 30, 1995. The BCGEU made up the majority of these, certifying at 18 HEABC member organizations during this period. The HEU had a total of 9 new certifications.

# HEABC's 22-Member Board of Directors

## 14 Elected Members from Seven Regions

Fraser Valley (Acute Care)	<b>Pat Zanon, HEABC Vice-Chair</b> , President & CEO, Langley Memorial Hosp.	(Member of the Executive Committee & the Finance & Audit Committee)
Lower Mainland (Continuing Care)	<b>[VACANT] Gary Glacken</b> , Executive Director, B.C. Schizophrenia Soc. (Resigned 95 Sep. 29)	(Member of Executive Committee and Nominating Committee)
Fraser Valley (Acute Care)	<b>[VACANT] Don Smith</b> , Trustee, Chilliwack General Hospital [Resigned 95 Oct. 10]	(Chair of the Strategic Planning Committee)
Fraser Valley (Continuing Care)	<b>Gordon Riggins</b> , (Trustee), Langley Home Support	(Member of the Resolutions and AGM Committee & the Strategic Planning Committee)
Kootenays (Acute Care)	<b>Thomas Kirk</b> , (Trustee) Cranbrook Regional Hospital	(Chair of the Resolutions & AGM Committee & member of the Finance & Audit Committee)
Kootenays (Continuing Care)	<b>Marg Ormond</b> , (Trustee) Nelson Jubilee Manor	(Chair of the Nominating Committee & member of the Finance & Audit Committee)
Lower Mainland (Continuing Care)	<b>Lil Klassen</b> , Administrator, Delta Home Support Service Soc.	(Member of the Resolutions & AGM Committee)
Lower Mainland (Acute Care)	<b>Brian Schmidt</b> , Executive V-P & Chief Operating Officer, B.C. Cancer Agency (94 March 14 mid-term appointment to replace Anne Toupin, Executive Director, The Arthritis Society)	
North East (Continuing Care)	<b>Ray Scott</b> , Administrator, Prince George Regional Community Care Soc.	(Member of the Finance & Audit Committee)
North West (Acute Care)	<b>Ken Harding</b> , (Trustee) Prince Rupert Regional Hospital	(Member of the Strategic Planning Committee and the Nominating Committee)
Thompson-Okanagan (Acute Care)	<b>Ken Doecker</b> , Administrator, South Okanagan Hospital Soc. (95 October 27, mid-term appointment to replace Wayne Tucker, HEABC Hon. Sec.-Treasurer, President, Kelowna & Distr. Hosp. Soc. (Resigned 95 October 26, 1995)	(Chair of the Finance & Audit Committee and member of the Executive Committee)
Thompson-Okanagan (Continuing Care)	<b>George Wellwood, HEABC Board Chair</b> , Administrator, The Gateby	(Chair of the Executive Committee and ex-officio member of all remaining Committees, except the Nominating Committee)
Vancouver Island (Acute Care)	<b>Patricia Coward</b> , President & CEO Greater Victoria Hospital Society (GVHS) (95 October 30 mid-term appointment to replace Ken Fyke, President & C.E.O, GVHS (Resigned 95 September 15)	(Member of Strategic Planning Committee)
Vancouver Island (Continuing Care)	<b>Joan Wright</b> , Executive Director, Cowichan Home Support Soc.	(Member of the Strategic Planning Committee)

## 5 Special Appointments

COUTH	<b>Ron Mulchey</b> , PAST CHAIR, President & CEO, St. Paul's Hospital	(Member of Executive Committee and Nominating Committee)
Proprietary Care	<b>Colleen Tracy</b> , Owner, Napier Intermediate Care Home	(Member of Executive Committee and Resolutions & AGM Committee)
Tertiary Care	<b>Murray Martin</b> , President, Vancouver Hospital & Health Sciences Centre	(Member of the Resolutions & AGM Committee)
Community Health Services	<b>[VACANT]</b> The Minister of Health will make the first appointment to this position.	
Community Health Services	<b>[VACANT]</b> The Minister of Health will make the first appointment to this position.	

## 3 Government Appointments

Government	<b>Linda Baker</b> , CEO & Secretary to the Public Sector Employers Council (95 July 7, mid-term appointment to replace Ron McEachern, Director, Negotiating Services Public Service Employee Rel. Commission, Ministry of Finance)	(Member of Strategic Planning Committee)
Government	<b>Chris Lovelace</b> , Assistant Deputy Minister, Strategic Programs, Ministry of Health & Ministry Responsible for Seniors (95 October 20 mid-term appointment to replace John Greschner, Asst. Deputy Minister, Strategic Services, Ministry of Health)	(Member of Finance & Audit Committee)
Government	<b>Thea Vakil</b> , Associate Deputy Minister Regional Programs, Ministry of Health & Ministry Responsible for Seniors	



*November 16, 1994 to November 15, 1995*

*HEABC Board Executive*

George Wellwood    Board Chair  
Pat Zanon            Vice-Chair  
Wayne Tucker       *Honorary Secretary*  
                             *Treasurer*

There are five Board Committees as follows:

- Executive
- Finance and Audit
- Strategic Planning
- Resolutions and AGM
- Nominating



Back Row L-R: *Wayne Tucker*, Tom Kirk, *Don Smith*, Gordon Riggins, Ray Scott, George Wellwood

Front Row L-R: Gary Moser, Margaret Ormond, Joan Wright, Pat Zanon, Ken Harding, Colleen Tracy, Ron Mulchey, *Gary Glacken*

Missing: Linda Baker, Patricia Coward, Ken Doepker, *Ken Fyke*, *John Greschner*, Lil Klassen, Chris Lovelace, Murray Martin, *Ron McEachern*, Brian Schmidt, *Anne Toupin*, Thea Vakil

*Italics indicate resignations*

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

FINANCIAL STATEMENTS

March 31, 1995

Deloitte &  
Touche  






**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, 1995 and the statements of surplus, revenues and expenditures and changes in financial position for the year 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, 1995 and the results of its operations and the changes in its financial position for the year 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.

*Deloitte & Touche*

Chartered Accountants

Vancouver, British Columbia  
May 11, 1995

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA  
BALANCE SHEET  
as at March 31, 1995

	Notes	1 9 9 5	1 9 9 4
<b>CURRENT ASSETS</b>			
Cash		\$ 107,093	\$ 640,169
Short-term investments		3,320,950	1,587,562
Accounts receivable		136,756	109,743
Prepaid expenses		50,223	27,876
		3,615,022	2,365,350
Capital assets	3	596,776	476,815
		<u>\$4,211,798</u>	<u>\$2,842,165</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ 855,747	\$ 865,344
Deferred rent inducement		19,274	19,274
Deferred grants	4	948,066	761,640
Current portion of long-term debt	5	19,290	36,491
		1,842,377	1,682,749
Deferred rent inducement		16,061	35,335
Long-term debt	5	-	19,253
Liability under severance plan		71,452	48,179
		<u>1,929,890</u>	<u>1,785,516</u>
<b>SURPLUS</b>			
Unappropriated	7	1,439,960	1,056,649
Appropriated		841,948	-
		<u>2,281,908</u>	<u>1,056,649</u>
		<u>\$4,211,798</u>	<u>\$2,842,165</u>

Commitments and contingencies 8

On behalf of the Board:

.....Director

.....Director

**Deloitte &  
Touche**  




HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA  
STATEMENT OF SURPLUS  
year ended March 31, 1995

	Appropriated		Unappropriated	
	1995	1994 (4 months)	1995	1994 (4 months)
Balance, beginning of period	\$ -	\$ -	\$1,056,649	\$ 785,163
Excess of revenues over expenditures	-	-	1,225,259	271,486
Appropriations:				
Capital asset replacements	210,573	-	(210,573)	-
Legal and professional services	384,500	-	(384,500)	-
PSERC/BCNU job classification transition process	100,000	-	(100,000)	-
LRB Policy conference	55,000	-	(55,000)	-
Sub-lease deficiency	91,875	-	(91,875)	-
<b>BALANCE, END OF PERIOD</b>	<b>\$841,948</b>	<b>\$ -</b>	<b>\$1,439,960</b>	<b>\$1,056,649</b>

**HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
year ended March 31, 1995

	Notes	1 9 9 5	1 9 9 4 (4 months)
Revenue			
Membership assessment	6	\$8,000,000	\$2,530,090
Fee for service		1,625	4,638
Administration fee		220,422	51,785
Interest and other revenue		145,016	15,563
		8,367,063	2,602,076
Pay equity government grant	4	63,206	130,273
Non-contract executive compensation	4	350,368	-
<b>Total revenues</b>		<b>8,780,637</b>	<b>2,732,349</b>
Expenditures			
General operations			
Salaries and benefits		4,432,880	1,480,981
Travel and meetings		413,066	116,777
Arbitration and hearing costs		116,028	58,859
Legal and professional		482,571	77,927
Recruiting and relocation		28,048	38,518
Staff training - research and memberships		68,739	20,223
Office expenses, printing and reproduction		392,125	109,591
Rental - office and equipment		904,399	267,826
Amortization		179,419	45,967
GST - unrecoverable		124,529	-
Special projects		-	113,921
		7,141,804	2,330,590
Non-general operations			
Pay equity	4	63,206	130,273
Non-contract executive compensation	4	350,368	-
<b>Total expenditures</b>		<b>7,555,378</b>	<b>2,460,863</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>		<b>\$1,225,259</b>	<b>\$ 271,486</b>



HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
year ended March 31, 1995

	1995	1994 (4 months)
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenues over expenditures	\$1,225,259	\$ 271,486
Add (deduct) items not involving cash:		
Amortization	179,419	45,967
Deferred rent inducement	<u>(19,274)</u>	<u>(4,741)</u>
	1,385,404	312,712
Changes in non-cash working capital balances		
Accounts receivable	(27,013)	308,515
Prepaid expenses	(22,347)	(3,452)
Accounts payable and accrued liabilities	(9,597)	52,597
Prepaid assessments	-	(488,135)
Deferred grants	<u>186,426</u>	<u>(130,273)</u>
	<u>1,512,873</u>	<u>51,964</u>
<b>FINANCING</b>		
Decrease in long-term debt	(36,454)	(11,310)
Increase in liability under severance plan	<u>23,273</u>	<u>3,116</u>
	<u>(13,181)</u>	<u>(8,194)</u>
<b>INVESTING</b>		
Purchase of capital assets	<u>(299,380)</u>	<u>(273,479)</u>
<b>NET CASH (OUTFLOW)</b>	1,200,312	(229,709)
<b>CASH POSITION, BEGINNING OF YEAR</b>	2,227,731	2,457,440
<b>CASH POSITION, END OF YEAR</b>	<u>\$3,428,043</u>	<u>\$2,227,731</u>
<b>Represented by:</b>		
Cash	\$ 107,093	\$ 640,169
Short-term investments	<u>3,320,950</u>	<u>1,587,562</u>
	<u>\$3,428,043</u>	<u>\$2,227,731</u>

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA  
NOTES TO THE FINANCIAL STATEMENTS  
year ended March 31, 1995

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 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) Deferred rent inducement

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

d) Deferred pay equity grant and deferred non-contract executive compensation grant

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

3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>1995 Net book value</u>	<u>1994</u>
Furniture and fixtures	\$ 409,607	\$ 287,860	\$ 121,747	\$ 142,278
Equipment	393,787	178,317	215,470	94,176
Data processing equipment	646,651	409,150	237,501	234,260
Leasehold improvements	24,454	2,396	22,058	6,101
	<u>\$1,474,499</u>	<u>\$ 877,723</u>	<u>\$ 596,776</u>	<u>\$ 476,815</u>



HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA  
NOTES TO THE FINANCIAL STATEMENTS  
year ended March 31, 1995

4. DEFERRED GRANTS

	1995	1994
Pay equity	\$698,434	\$761,640
Executive and non contract compensation	<u>249,632</u>	<u>-</u>
	<u>\$948,066</u>	<u>\$761,640</u>

i) Pay equity

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 a variety of methodologies to identify wage adjustments required to meet pay equity objectives. The HSA process was completed in 1993. The BCNU process was completed in 1994. The HEU pay equity project and related Gender-Based Wage Arbitration will be completed in 1995.

ii) Executive and non-contract compensation

HEABC received funding for this new compensation program that flows from the new expanded role of employers' associations - to coordinate compensation for non-contract positions. The Government initiated a compensation freeze pending employers' associations completing their requirements in this area. The compensation plan involves a gender-neutral job evaluation and sector way set of compensation ranges. The plan will be advanced to the Public Sector Employers' Council in the fall of 1995.

5. LONG-TERM DEBT

	1995	1994
Bank loan repayable in monthly instalments of \$1,416 including principal and interest; interest at 11%	\$ 4,210	\$19,967
Capital lease - repayable in monthly instalments of \$1,961 including principal and interest; interest at 11.25%	<u>15,080</u>	<u>35,777</u>
	19,290	55,744
Less: current portion	<u>19,290</u>	<u>36,491</u>
	<u>\$ -</u>	<u>\$19,253</u>

The above amounts include principal and accrued interest to March 31, 1995.

6. MEMBERSHIP ASSESSMENT

Effective April 1, 1994 the Board of Directors approved a policy whereby the Ministry of Health would provide membership assessments directly to the Association on behalf of the members.

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA  
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year ended March 31, 1995

7. APPROPRIATED SURPLUS

During the year, the Board of Directors resolved to appropriate \$841,948 of surplus towards future costs as detailed on the statement of surplus.

8. 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:

1996	\$ 922,748
1997	952,834
1998	890,165
1999	893,122
2000	901,681
Thereafter	<u>7,776,638</u>
	<u>\$12,337,188</u>

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.
- 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.
- c) HEABC has entered into an agreement with a senior employee to purchase additional pension service credit of one year of service for each completed year of employment, or portion thereof, to a maximum of 34.47 months. The employee contribution is a factor of 1.0 times the regular employee contribution, and HEABC pays the balance of the cost. The likelihood and amount of this potential liability are not determinable at this time and, therefore, an amount has not been accrued in these financial statements.

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8. COMMITMENTS AND CONTINGENCIES (Continued)

iii) Non-contract Labour Adjustment Program

HEABC is administering funds 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.

Balance, March 31, 1994	\$700,000
Distributed during the year (net)	<u>(290,309)</u>
Balance, March 31, 1995	<u>\$409,691</u>

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



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