

1  
9  
9  
5  
/  
1  
9  
9  
6  
  
A  
N  
N  
U  
A  
L

REPORT

***“Change – Is It What We Bargained For?”***

# Contents

Who We Are and What We Do	TWO
HEABC Activities and Influences	FIVE
Report of the Board Chair and CEO	SIX
HEABC Publications Produced for Members	FOURTEEN
Third Party Decisions Received	FIFTEEN
Board Representation	SIXTEEN
Financial Statements	NINETEEN

# Who We Are And...



## What is HEABC's Purpose?

Through its head office in Vancouver and regional offices in Kelowna and Victoria, the Health Employers Association of B.C. (HEABC) offers health care employers services and advice on human resource, research, labour relations, compensation, and bargaining issues. Overall, our mandate is to provide our members with a consistent and united employer approach in those areas.

The Association works to ensure fiscal accountability, effective management of human resources (for both unionized and non-unionized staff), effective coordination and communication between employers and the various public sectors, and a better balance of union/management and employer/employee interests.

Our services are provided to a diverse group of approximately 630 publicly-funded health care employers.



## How was HEABC Formed?

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 single 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.



## 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 (PSEC) was then formed to facilitate communication and coordination between these various sectors.

# ...What We Do

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.

Aside from our participation on PSEC, HEABC strongly supports our members' interests by lobbying the provincial government for positive legislative and procedural changes.

In addition, the Association has cooperated with the provincial government in developing a Health Sector Compensation Information System (HSCIS) database to facilitate and improve cost-reporting mechanisms for health care employers.



## How Does HEABC Negotiate With?

HEABC currently negotiates with five different bargaining groups, which include:

### 1. Nurses

(represented by the B.C. Nurses' Union [BCNU]).

### 2. Paramedical Professionals

(represented by an Association between the B.C. Government and Service Employees' Union [BCGEU] and the Health Sciences Association [HSA]).

### 3. 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 care 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].*

### 4. 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 centres, child development centres, community service agencies, drug and alcohol, home support, mental health, Regional Health Boards, and Community Health Councils].*

### 5. Residents

(represented by the Professional Association of Residents of B.C. [PAR-BC]).

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

Prior to August, 1995, HEABC negotiated with approximately nineteen different bargaining agents. However, that bargaining structure was subsequently changed based on the report of the Health Sector Labour Relations Commissioner (Jim Dorsey).

Mr. Dorsey – who was appointed in 1995 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.

Enacted by government regulation on August 4, 1995, Mr. Dorsey's recommendations reduced the number of bargaining units (or certifications) in the health care sector from approximately 900 to 10. As a result, the intent of the regulation is to replace the former 200 or so health care collective agreements with a total of five.

# Activities Of, or Influences On, HEABC

- ☒ Research
- ☒ Legislative Change
- ☒ Future Challenges
- ☒ Employment Security
- ☒ Human Resource Initiatives
- ☒ Non-Contract/Executive Compensation
- ☒ Consultation and Coordination
- ☒ Communications
- ☒ New Directions Health Care Reform
- ☒ Bargaining
- ☒ Third Party Advocacy
- ☒ Essential Service Designations
- ☒ PSEC
- ☒ Strategic Planning
- ☒ Labour Adjustment
- ☒ Physician Recruitment

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



**Mrs. Pat E. Zanon**  
HEABC Board Chair

It seems a fitting analogy to describe the events of the past year as the "*Rubik's Cube*" approach to change.

Our reporting year began with a new unionized bargaining environment in place, a framework for restructuring health care and a clear employer bargaining direction. On the surface, these separate yet interrelated issues represented an alignment of sorts; a starting point from which we entered 1996 negotiations.

But, like the *Rubik's Cube*, the health care sector is multi-dimensional and complex.

What appears to be a simple shift in one area, has a corresponding effect on all sides of

health care – on employers, HEABC (*the Association*), employees, the taxpayer, the unions, and the government. That premise certainly held true this year and underscores our "*Change – Is It What We Bargained For?*" theme.

As we worked toward the established employer bargaining direction, other influencing factors essentially shifted the "tiles of change" – introducing new issue patterns to each side of the "*health care cube*." Key among those influencing factors were the provincial election, the appointment of Industrial Inquiry Commissioner (IIC) Vince Ready, and the legislated imposition of the IIC Report.



**Mr. Gary A. Moser**  
President and CEO

# B

## argaining Landscape Reshaped

Perhaps the most far-reaching effect of the shifting changes in 1996, however, began with the Health Sector Labour Relations Regulation. Based on the recommendations of the 1990 Report of the Royal Commission on Health Care and Costs, the Regulation called for sweeping changes in the number of bargaining agents in health care. As a result, within a matter of months, the face of the *health care cube* was drastically revamped when close to 888 existing health care union certifications were swiftly reduced to 10.

Understandably, that rapid transformation of the bargaining landscape introduced significant challenges beyond the scope of normal bargaining – the most daunting of which was compressing 200 collective agreements into five. The process of blending these differing agreements into five new formats raised a potentially costly concern for health employers – the concept of “levelling up” employees to a common pay and benefit scale. Equally concerning was the concept of employment security under the Healthcare Accord, and the expected union push to re-introduce those provisions for an even broader group of employees.

E

## mployers Align Bargaining Objectives

Recognizing the weighty issues ahead, our members prepared for the challenge.

The underlying consideration was how to stretch the limited available resources to proactively meet the increasing demands placed on the health care system. Against that backdrop, HEABC actively sought member input at each of the seven fall Regional Council meetings held throughout the province. The member-driven bargaining objectives derived from that initiative were subsequently endorsed and prioritized by employers at the November, 1995 HEABC Negotiations Planning Session. The prevailing message was clear. Under the banner, to “Balance the Needs of Health Care,” we based our bargaining demands on preserving quality services without adding more costs to the system. With that focus, the employer position shifted into the appropriate alignment in response to the anticipated union demands.

B

## argaining Outcome Calls for Re-Alignment

As expected, employment security emerged as the central union demand at three of the five bargaining tables. Balancing the needs of employees with the needs of the system as a whole, we put forward what employers believed to be a mutually-beneficial process for labour adjustment. That proposal served to accommodate staff movement wherever possible, but allowed for eventual layoffs if no placement was found. When all was said and done, however, the employer’s position was not sustained.

Nonetheless, the HEABC Board determined that the IIC report offered both pros and cons. Although the report was not “what we bargained for” in the area of employment security, it did represent a workable response for melding the collective agreements and “levelling up” employees. Given the divergent effect of these two areas on the membership, the HEABC Board took a neutral position on the report.

To assist the membership in making an informed decision, the ratification package clearly outlined the pros and cons of the IIC report in detail. Concerns about funding commitments

and the imposition of difficult labour adjustment provisions, however, prevailed. The employers subsequently voted to reject the report.

Although the *Health and Education Collective Bargaining Assistance Act* ultimately imposed a settlement for the three agreements, significant issues remain unresolved. These involve the process of levelling, the non-monetary aspects of melding together the various agreements, and Occupational Health & Safety matters. The resolution of these matters will likely have a significant bearing on the ongoing block of negotiations with the fourth group (the Health Services and Support – Community Subsector). “Levelling” is a central issue in that set of bargaining.



## Clarifications Introduce New Interpretation

Prior to addressing the outstanding issues, HEABC sought to solidify the employer interpretation of a number of provisions contained in the settlement. Toward this end, HEABC, on our members' behalf, vigorously pursued several clarifications with Mr. Ready. Causing concern were the issues of employment security notice, the process for recalling employees that were already laid off, and the bumping process for nurses.

Surprisingly, the resultant clarifications of those issues were not only contrary to our expectations, but dramatically altered the bumping process for nurses. The original award would have allowed an orderly and less disruptive process for a displaced nurse, whose job was considered redundant, to move to (or bump into) another comparable position held by the most junior employee.

However, the subsequent clarifications significantly altered that provision opening up a more disruptive chain reaction process of bumping.

Many nurses and employers alike have expressed their anxiety to HEABC over this newly introduced endeavour.

In response, HEABC is pressing forward to achieve a less disruptive end to this matter. On behalf of our members, HEABC has appealed to the B.C. Supreme Court in an effort to overturn this clarification.



## Adapting to meet your needs

As the remaining pieces of the bargaining puzzle continue to slip into place, the employer bargaining teams are refining our position accordingly to address member needs. HEABC remains firm in our resolve to promote our message of balance and fiscal accountability to the best extent possible.

N

## ew “Tiles of Change” Transform Union Representation

While we work toward that outcome, however, a new “tile of change” has presented itself. The B.C. Supreme Court has recently reinstated the Construction and General Workers’ Union (CGWU) as a bargaining entity in health care. This action has opened the door for other unions, excluded under the *Health Sector Labour Relations Regulation*, to follow suit. As such, this challenge of the Regulation threatens to reshape union representation in health care once again. If that occurs, the preceding health care collective bargaining process could be called into question. Clearly, the repercussions would be much deeper than simply adding new significance to the theme of our Annual Report. While the judgement does not completely unravel the Regulation, it could effectively “turn back the clock”. In response, the Attorney-General has launched an appeal of the court judgement. Until the matter is resolved, HEABC is proceeding with further discussions on levelling and melding issues on a *without prejudice* basis. This means that the outcome would only be applicable if existing circumstances do not change. Ongoing bargaining with the Health Services and Support – Community Subsector is also proceeding on the same basis.

The Regulation also seems to have opened the door for the fifth bargaining group – the Professional Association of Residents of B.C. (PAR-BC) – to seek an extension of its presence in health care. Toward that end, PAR-BC applied to the B.C. Labour Relations Board (LRB) to extend its bargaining jurisdiction beyond the current eleven teaching hospitals to all acute care hospitals in the province. As a fiscally responsible solution to this action, HEABC countered with a two-pronged application to the LRB. The employer application seeks either to have the PAR-BC members identified under the Labour Relations Code as students rather than employees, or to identify the University as the employer, rather than the HEABC members. While this matter evolves, negotiations with this group are continuing on a *without prejudice* basis.

T

## aking a Second Look at Regionalization

Paralleling the review of union representation, the newly elected provincial government determined to undertake a review of the regionalization program in health care. Known as “*New Directions*”, the regionalization program was designed to move health care services “*closer to home*”. The premise was to redeploy staff from the acute care sector into community care to reduce duplication of services and achieve greater cost efficiencies. To administer the process, 20 Regional Health Boards and 84 Community Health Councils were established.

To advance the employer perspective on regionalization, HEABC, on behalf of our members, presented both a written and verbal submission to the provincial government's Regionalization Review Committee. While the review format was based on determining employer representation in health care, HEABC took another approach. The HEABC submission reiterated the fact that the aging population, shifting demographics, and technological change are placing increasing demands on the cash-strapped health care system. As regionalization takes shape, it falls to the employer to respond to these pressures with new, innovative, and cost-effective solutions. We, therefore, called for changes that would keep service delivery disruptions to a minimum while giving employers greater flexibility to develop those pro-active solutions. At the time of writing, it remains to be seen what the outcome of that review process will be. But whatever the outcome, the result will certainly serve to define the employer direction for the future.



## Maintaining a Balance for Our Members

Throughout this re-evaluation process, HEABC strives to maintain balance and stability for its members.

Our main stabilizing tool was keeping our members up-to-date and accurately informed through timely and concise, yet comprehensive, communications. We kept members abreast of our bargaining issues and progress through our fax broadcast system, letters to administrators, Negotiations Update Bulletins and the negotiations hotline updates. The employer message was promptly reinforced through newspaper, radio, and television interviews. At the same time, the HEABC Update newsletter reported on the Association's activities while identifying new challenges and the actions taken on your behalf to address those challenges. Our Services Update was distributed at Human Resource Advisory Group meetings to keep member human resource practitioners current on labour relations issues. As outlined on page fourteen, several reference publications were also produced.

To broaden the scope and effectiveness of our communications, HEABC recently unveiled our internet Web-Site and e-mail access. This technological development has already proven beneficial and economical. Members with internet access can now exchange information directly with HEABC staff through internet e-mail, eliminating potential postal and long distance costs. Our web site, on the other hand, provides a very effective and inexpensive way to communicate a wide range of issues to our members, and other internet users. For those members unable to access this technology, HEABC is working to streamline our traditional communications methods as well. To further enhance the communications with our members, HEABC recently installed automatic voice mail. Members can now leave detailed messages on HEABC voice mail at any time of the day or night.

F

## Fine-Tuning Our Human Resource Initiatives

As another means of offering support to our members, the Board and staff of HEABC have placed a strong emphasis on fine-tuning the human resources mandate for our organization.

Already, we have received a positive response to new programs that were introduced and implemented for members in 1996. The Physician Recruitment Program, for instance, was undertaken on a trial basis to generate innovative solutions to address the growing problem of attracting quality doctors to rural areas. That program was so warmly received by rural members that HEABC recently dedicated a full-time Consultant to oversee this integral project. Discussions with the Ministry of Health are currently underway to enhance this initiative. HEABC is confident our efforts in this area, on behalf of members, will yield positive and cost-effective benefits for the health care system.

Another well-received initiative was the long-awaited implementation of the Non-Contract Executive Compensation Plan earlier this year. Guiding the development of this complex and detailed project were two Committees drawn from the membership – a Technical Committee and an Advisory Committee. We owe the plan's success to the diligence and direction of the human resource practitioners who participated on the Technical Committee and to the wisdom and guidance of the member Board representatives who participated on the Advisory Committee. We thank them for their efforts. Our appreciation also extends to those non-health organizations involved in completing our salary surveys. Their input provided a credible and defensible foundation for the plan's development.

To help members put the new plan into practice, HEABC staff are conducting regional information sessions throughout the seven regions of the province. Overall, the plan's findings reinforce the responsible manner in which health care employers have determined salary levels for non-unionized and executive staff.

Building on the successes of those two projects, HEABC's human resource management initiatives are continuing to evolve. Members have enthusiastically assisted HEABC in this evolution through their participation on the Industry Advisory Committee on the Transition to Regionalization (IACR). The Committee's tireless efforts resulted in the formulation of a draft, long-range strategic plan. The plan envisions a partnership arrangement whereby HEABC and members would work together to develop resourceful and consistent health care human resource practices.

To take the first steps toward implementing the plan, HEABC will host a Human Resources Conference in the Spring of 1997. From that initiative we expect to draw on the expertise and advice of seasoned human resource practitioners from all walks of health care.

A Steering Committee of human resource professionals is currently determining the desired format for the Conference.

In the meantime, our education sessions are arming members with the skills to positively respond to this expanded human resource focus. Over the past year, a total of 1,056 members from 195 organizations participated in the 32 HEABC training exercises held between October, 1995 and September, 1996. As the new format for health care unfolds, and the impact of technological development takes hold, the priority for HEABC's quality training programs will continue to surge to the forefront.

## I

### ncorporating Feedback

In an effort to keep our training and human resource programs fresh and responsive, HEABC is constantly interacting with members and other trend-setting organizations.

The HEABC Board Chair and CEO participate on the Public Sector Employers Council, along with other public sector organizations. In addition, HEABC senior staff exchange information and ideas with other business professionals on the B.C. Business Council, the Human Resource Management Association, and the Workers' Compensation Board. HEABC also meets annually with our counterpart organizations across Canada. Joint consultations with the B.C. Association of Community Care, the B.C. Health Association, and B.C. Pricare are held regularly as well.

In conjunction with that input, the Association depends heavily on member feedback at both the regularly-scheduled HEABC Human Resource Advisory Group meetings and the HEABC Regional Council Meetings held throughout the province. We are cognizant that a revised Regional Council structure will soon be necessary to ensure HEABC communication mechanisms reflect the appropriate regionalization structure for health care.

As well, HEABC maintains an integral link with the membership through member participation on our bargaining committees, and on technical advisory committees pertaining to human resource issues.

F

## ocussing on the Future

The business solutions gleaned through our consultative approach helps form the backbone for HEABC's strategic planning endeavours.

The HEABC Board hopes to cultivate that process further by developing an effective mechanism to receive even more meaningful and comprehensive input, particularly from our membership. In fact, this issue will be one of the first objectives identified at the upcoming Board Strategic Planning Session, set for November 5, 1996. At that time, the Board will develop an extensive three to five year business plan for the organization. We will report on the outcome of that exercise at our Annual General Meeting.

Once our business plan is in place, HEABC will continue to place a high priority on reviewing and adapting our strategies to best accommodate the needs of our members.

As we have seen this year, however, the planning process can be frustrated by unexpected realities that take hold along the way. While the resultant changes may not be what we bargained for, we must not lose sight of our ability to reshape and respond to that change.

Remember that as frustrating as the *Rubik's Cube* can be, there are two positive elements. The first is – there is a solution, but it requires patience and perseverance. The second is – that in the middle of each side of the cube is a reassuring, coloured block that remains constant and unchanging no matter where it is positioned.

Likewise, as the blocks of change in health care twist and turn, we will need patience and perseverance before solutions can take shape. Through it all, HEABC will remap its strategies to provide our members with more support and stability. In the process we will strive to emerge as that "reassuring block" that members can look to for support.

There are also two other constants that we can count on in the coming years. The first is the commitment of the HEABC Board and staff to provide the best possible services and outcomes for our members. And the second, more importantly, is the dedication of our members in maintaining optimal health care services during this uncertain and evolving period of transition.

We thank our members for their support during the last year and we look forward to providing you with a clear employer vision for 1997 and beyond.



**Mrs. Pat E. Zanon**  
HEABC Board Chair



**Mr. Gary A. Moser**  
HEABC President and CEO

# HEABC Publications Produced for Members

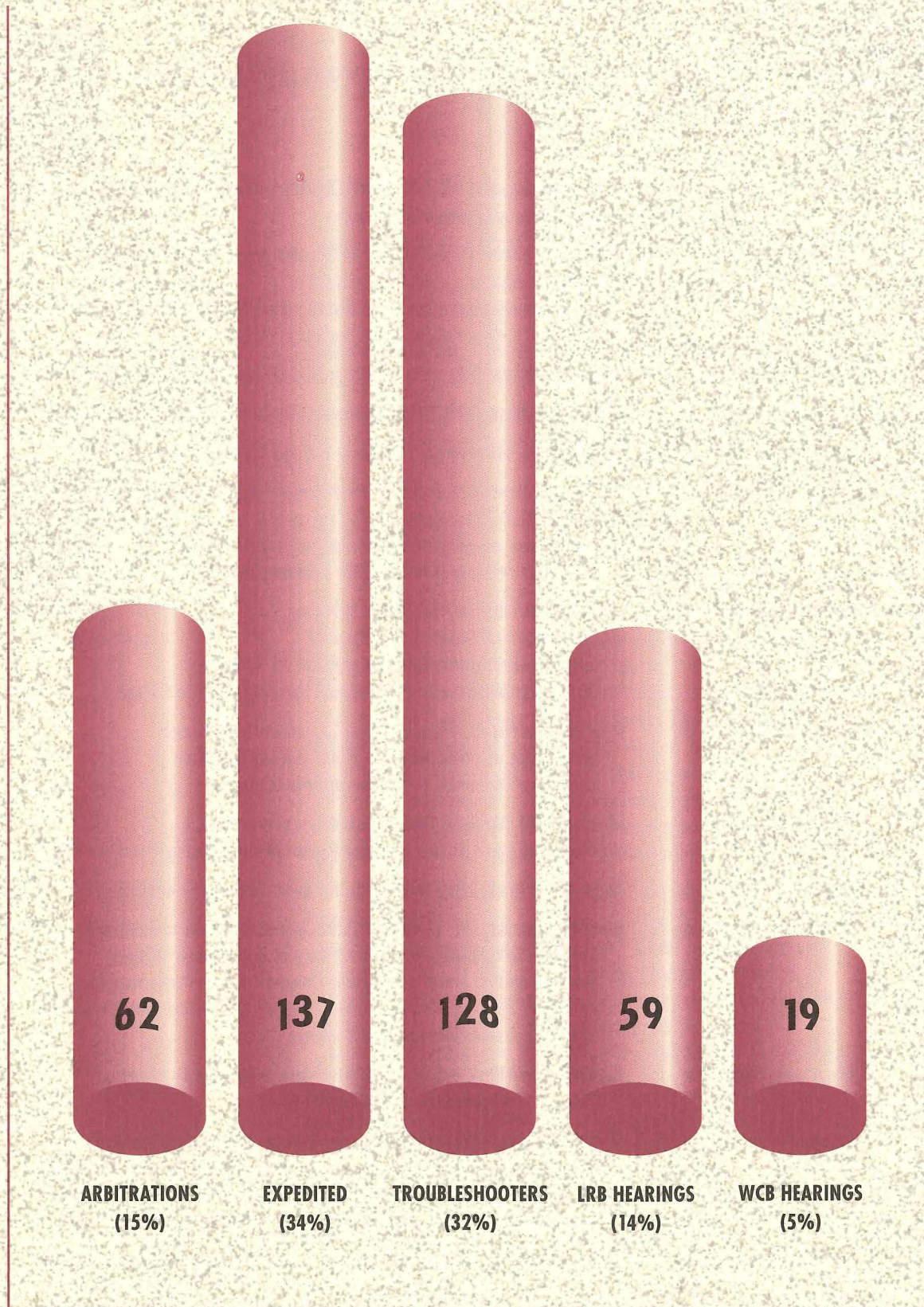
- ☒ HEABC 1996 Job Action Handbook
  - Working Guidelines
  - Legal Guidelines
- ☒ Framework for Partnership in Human Resource Management Services
- ☒ Human Resources Policies and Procedures
- ☒ Employing the Chief Executive Officer – A Guide for Regional Health Boards and Community Health Councils
- ☒ Procedures Manual – Physician Recruitment
- ☒ B.C. Physician Recruitment Program – a Guide For Communities
- ☒ Employer Rights on Managing Claims and Attendance
- ☒ Catalogue of Human Resource Practices That Work
- ☒ HEABC Roadmaps (explaining how to deal with key human resource challenges)
- ☒ Submission to the Regionalization Review Committee
- ☒ Shift Rotation Manual
- ☒ Employment Security – “Inescapable Rules of Organizational Change”
- ☒ HLRA/HEU Annotated Classification Manual
- ☒ HEABC Update Newsletter
- ☒ HEABC Services Update
- ☒ Contract Interpretation Update Bulletins
- ☒ General Information Update Bulletins

## Future Publications to Expect

- ☒ HEABC Contract Interpretation Manuals for the contracts with:
  - the Health Services and Support Facilities SubSector
  - the Health Services and Support Community SubSector
  - the B.C. Nurses' Union
  - the Paramedical Professionals
- ☒ A Manual Outlining the Payroll Implications of the Health Care Agreements

# Third Party Decisions Received

*(405 between October 1, 1995 to September 30, 1996)*



# HEABC 22-Member Board of Directors for 1995/96 *(Serving 1994-1997 Terms)*

14

## Elected Members from Seven Regions

Fraser Valley – AC	<b>Pat Zanon, HEABC Board Chair</b> , Interim President & CEO, Surrey Memorial Hospital Society
Fraser Valley – AC	<b>Doreen Biener</b> , Vice-Chair of South Fraser Valley Regional Health Board <i>(mid-term appointment to replace Don Smith, former Trustee, Chilliwack General Hospital Society)</i>
Fraser Valley – CC	<b>Gordon Riggins</b> , (Trustee), Langley Home Support Service Society
Kootenays – AC	<b>Thomas Kirk</b> , (Trustee) Cranbrook Regional Health Care Society
Kootenays – CC	<b>Margaret Ormond</b> , (Trustee) Nelson Jubilee Manor Society
Lower Mainland – AC	<b>Brian Schmidt</b> , Executive Vice-President & Chief Operating Officer, B.C. Cancer Agency <i>(mid-term appointment to replace Anne Toupin, former Executive Director, The Arthritis Society)</i>
Lower Mainland – CC	<b>John Van Luven</b> , Executive Director, St. James Social Service Society <i>(mid-term appointment to replace Lil Klassen, former Administrator, Delta Home Support Service Society)</i>
Lower Mainland – CC	<b>Steve Gardner</b> , Administrator, Central Park Manor <i>(mid-term appointment to replace Gary Glacken, Executive Director, B.C. Schizophrenia Society)</i>
North East – CC	<b>Ray Scott, HEABC Hon. Secretary-Treasurer</b> , President & CEO, Prince George Regional Community Care Society
North West – AC	<b>Ken Harding</b> , (Trustee) Prince Rupert Regional Hospital
Thompson-Okanagan – AC	<b>Henry Markgraf</b> , (Trustee Chair) Kelowna General Hospital <i>(mid-term appointment to replace Ken Doecker, former Administrator, South Okanagan Hospital Society who was the mid-term appointment to replace Wayne Tucker, former President, Kelowna &amp; District Hospital Society)</i>
Thompson-Okanagan – CC	<b>George Wellwood</b> , Past HEABC Board Chair, CEO North Okanagan Regional Health Board
Vancouver Island – AC	<b>Don Brown</b> , Executive Director, Cowichan District Hospital <i>(mid-term appointment to replace Pat Coward, former President &amp; CEO Greater Victoria Hospital Society (GVHS) who was the mid-term appointment to replace Ken Fyke, President &amp; CEO, GVHS)</i>
Vancouver Island – CC	<b>Joan Wright</b> , Executive Director, Cowichan Home Support Society

# 5

## Special Appointments

COUTH

**Dr. Tom Ward**, Interim CEO, St. Paul's Hospital  
(**mid-term appointment** to replace *Ron Mulchey*,  
former President & CEO, St. Paul's Hospital)

Proprietary Care

**Colleen Tracy**, HEABC Vice-Chair, President,  
CPT Health Care Ltd. (Renfrew Care Centre)

Tertiary Care

**Murray Martin**, President, Vancouver Hospital &  
Health Sciences Centre

Community Health  
Services

**(Two Vacant Positions)** The Minister of Health will make  
the first appointments to these positions.

# 3

## B.C. Government Appointments

Government

**Russ Pratt**, Chief Executive Officer and Secretary to the  
Council, Public Sector Employers Council  
(**mid-term appointment** to replace *Doug Allen*, Deputy  
Minister of Employment and Investment who was the mid-  
term appointment to replace *Linda Baker*, former  
CEO & Secretary to the Public Sector Employers Council who  
was the mid-term appointment to replace *Ron McEachern*,  
Director, Negotiating Services Public Service Employee  
Relations Commission, Ministry of Finance)

Government

**David Kelly**, Acting Deputy Minister, Ministry of Health and  
Ministry Responsible for Seniors  
(**mid-term appointment** to replace *Chris Lovelace*, former  
Assistant Deputy Minister, Strategic Programs, Ministry of  
Health & Ministry Responsible for Seniors who was the mid-  
term appointment to replace *John Greschner*, former  
Asst. Deputy Minister, Strategic Services, Ministry of Health)

Government

**Ron McEachern**, Director, Labour Relations, Public Service  
Employee Relations Commission, Ministry of Finance  
(**mid-term appointment** to replace *Thea Vakil*,  
Associate Deputy Minister Regional Programs,  
Ministry of Health & Ministry Responsible for Seniors)

AC = Acute Care  
CC = Continuing Care

# HEABC 1995/1996 Board Committees

## Executive Committee

Pat Zanon, HEABC Board Chair  
Colleen Tracy, HEABC Vice-Chair  
Ray Scott, HEABC Hon. Sec.-Treasurer  
George Wellwood, Past Chair  
Ken Harding  
Murray Martin

## Finance and Audit Committee

Ray Scott, Committee Chair  
Pat Zanon, Board Chair  
Tom Kirk  
Joan Wright  
Margaret Ormond  
Brian Schmidt  
(VACANT – was *Chris Lovelace*)

## Strategic Planning Committee

Gordon Riggins, Committee Chair  
Pat Zanon, Board Chair  
Doreen Biener  
Steve Gardner  
George Wellwood, Past Chair  
(VACANT – was *Ron Mulchey*)  
(VACANT – was *Linda Baker*)

## Resolutions and Annual General Meeting Committee

Margaret Ormond, Committee Chair  
Pat Zanon, Board Chair  
Ron McEachern  
Colleen Tracy  
George Wellwood  
(VACANT – was *Pat Coward*)

## Nominating Committee

Joan Wright, Committee Chair  
George Wellwood, Past Chair  
Ken Harding

### NOTE:

The Board Chair is an ex-officio member of all committees (Bylaw 10.1). The President and Chief Executive Officer is also an ex-officio member of all committees (Bylaw 11.5(a)), except for the Nominating Committee (Bylaw 10.4).



HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

**FINANCIAL STATEMENTS**

MARCH 31, 1996

# Auditors' Report

T

## o 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, 1996 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, 1996 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

New Westminster, B.C.

May 10, 1996.

**Deloitte &  
Touche**



# HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

## Balance Sheet as at March 31, 1996

	Notes	1996	1995
<b>CURRENT ASSETS</b>			
Cash		\$ 158,764	\$ 107,093
Short-term investments		2,511,205	3,320,950
Accounts receivable		162,023	136,756
Prepaid expenses		36,443	50,223
		<b>2,868,435</b>	<b>3,615,022</b>
Capital assets	3	<b>623,483</b>	<b>596,776</b>
		<b>\$ 3,491,918</b>	<b>\$ 4,211,798</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ 931,959	\$ 855,747
Deferred rent inducement		16,061	19,274
Deferred grants	4	298,910	948,066
Current portion of long-term debt		--	19,290
		<b>1,246,930</b>	<b>1,842,377</b>
Deferred rent inducement		--	16,061
Liability under severance plan		<b>76,864</b>	<b>71,452</b>
		<b>1,323,794</b>	<b>1,929,890</b>
<b>SURPLUS</b>			
Unappropriated		<b>1,909,391</b>	<b>1,439,960</b>
Appropriated	6	<b>258,733</b>	<b>841,948</b>
		<b>2,168,124</b>	<b>2,281,908</b>
		<b>\$ 3,491,918</b>	<b>\$ 4,211,798</b>


Commitments and contingencies

7

On behalf of the Board:



Director



Director

# HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

## Statement of Surplus year ended March 31, 1996

	Appropriated		Unappropriated	
	1996	1995	1996	1995
Balance, beginning of period	\$ 841,948	\$ --	\$ 1,439,960	\$ 1,056,649
Excess (deficiency) of revenues over expenditures	--	--	(113,784)	1,225,259
Appropriation releases:				
Reserve for sub-lease deficiency	(91,875)	91,875	91,875	(91,875)
Reserve for LRB Policy Conference expenses	(43,615)	55,000	43,615	(55,000)
Payment of LRB Policy Conference expenditures	(11,385)	--	11,385	--
Payment of capital asset replacements	(208,179)	210,573	208,179	(210,573)
Payment of legal expenditures	(220,338)	384,500	220,338	(384,500)
Payment of unfunded PSERC/BCNU job classification transition expenditures	(7,823)	100,000	7,823	(100,000)
<b>BALANCE, END OF PERIOD</b>	<b>\$ 258,733</b>	<b>\$ 841,948</b>	<b>\$ 1,909,391</b>	<b>\$ 1,439,960</b>

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA  
**Statement of Revenues and Expenditures**  
year ended March 31, 1996

	Notes	1996	1995
<b>Revenue</b>			
Membership funding	5	\$ 7,500,000	\$8,000,000
Fee for service		6,579	1,625
Administration fee		203,818	220,422
Interest and other revenue		233,969	145,016
		<b>7,944,366</b>	<b>8,367,063</b>
PSERC/BCNU job classification government grant		84,801	--
Pay equity government grant		--	63,206
Non-contract executive compensation	4	49,156	350,368
<b>Total revenues</b>		<b>8,078,323</b>	<b>8,780,637</b>
<b>Expenditures</b>			
<b>General operations</b>			
Salaries and benefits		4,820,378	4,432,880
Travel and meetings		557,067	413,066
Arbitration and hearing costs		85,475	116,028
Legal and professional		628,298	482,571
Recruiting and relocation		11,671	28,048
Staff training – research and memberships		85,735	68,739
Office expenses, printing and reproduction		401,381	392,125
Rental – office and equipment		1,039,968	904,399
Amortization		226,666	179,419
GST – unrecoverable		114,475	124,529
Special projects – physician recruitment		79,213	--
		<b>8,050,327</b>	<b>7,141,804</b>
<b>Non-general operations</b>			
PSERC/BCNU job classification		92,624	--
Pay equity	4	--	63,206
Non-contract executive compensation	4	49,156	350,368
<b>Total expenditures</b>		<b>8,192,107</b>	<b>7,555,378</b>
<b>EXCESS OF (EXPENDITURES OVER REVENUES)</b>			
<b>REVENUES OVER EXPENDITURES</b>		<b>\$ (113,784)</b>	<b>\$ 1,225,259</b>

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA  
**Statement of Changes in Financial Position**  
year ended March 31, 1996

	1996	1995
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of (expenditures over revenues) revenues over expenditures	\$ (113,784)	\$ 1,225,259
Add (deduct) items not involving cash:		
Amortization	226,666	179,419
Deferred rent inducement	(19,274)	(19,274)
	93,608	1,385,404
Changes in non-cash working capital balances		
Accounts receivable	(25,267)	(27,013)
Prepaid expenses	13,780	(22,347)
Accounts payable and accrued liabilities	76,212	(9,597)
Deferred grants	(649,156)	186,426
	(490,823)	1,512,873
<b>FINANCING</b>		
Decrease in long-term debt	(19,290)	(36,454)
Increase in liability under severance plan	5,412	23,273
	(13,878)	(13,181)
<b>INVESTING</b>		
Purchase of capital assets	(253,373)	(299,380)
<b>NET CASH (OUTFLOW)</b>	<b>(758,074)</b>	<b>1,200,312</b>
<b>CASH POSITION, BEGINNING OF YEAR</b>	<b>3,428,043</b>	<b>2,227,731</b>
<b>CASH POSITION, END OF YEAR</b>	<b>\$ 2,669,969</b>	<b>\$ 3,428,043</b>
<b>Represented by:</b>		
Cash	\$ 158,764	\$ 107,093
Short-term investments	2,511,205	3,320,950
	<b>\$ 2,669,969</b>	<b>\$ 3,428,043</b>

# HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

## Notes to the Financial Statements

### year ended March 31, 1996

#### 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 the health care industry.

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

The amounts are taken into income as the related expenses are incurred.

#### 3. CAPITAL ASSETS

	Cost	Accumulated amortization	1996 Net book value	1995
Furniture and fixtures	\$ 423,159	\$ 310,569	\$ 112,590	\$ 121,747
Equipment	438,906	218,540	220,366	215,470
Data processing equipment	780,874	510,455	270,419	237,501
Leasehold improvements	24,454	4,346	20,108	22,058
	<b>\$ 1,667,393</b>	<b>\$ 1,043,910</b>	<b>\$ 623,483</b>	<b>\$ 596,776</b>

# HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

## Notes to the Financial Statements

### year ended March 31, 1996

#### 4. DEFERRED GRANTS

	1996	1995
Pay equity	\$ 98,434	\$ 698,434
Executive and non contract compensation	200,476	249,632
	<b>\$ 298,910</b>	<b>948,066</b>

##### i) Pay equity

The deferred pay equity grant consists of the unexpended portion of a government grant received to administer programs negotiated into specific collective agreements. The pay equity plans redress gender-based pay discrimination for bargaining unit positions. The HEU pay equity project, and the potential impact of the related Gender-Based Wage Arbitration, are expected to be completed during the 1996/97 fiscal year.

##### ii) Executive and non-contract compensation

HEABC received funding for this new compensation program that flows from the new expanded role of the employers' associations – that being to coordinate compensation for non-contract positions. HEABC has developed a plan composed of a gender-neutral job evaluation plan, recommended compensation ranges and compensation guidelines. The Public Sector Employers Council has approved the plan in principle and HEABC continues to apply the plan to new and changed jobs with new Regional Health Boards and Community Health Councils. The concluding start-up phase of the plan, delayed pending final approval from the Public Sector Employers Council, should be completed during the 1996/97 fiscal year and will involve implementing the plan with all HEABC members.

#### 5. MEMBERSHIP FUNDING

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

#### 6. APPROPRIATED SURPLUS

In the prior year, the Board of Directors resolved to appropriate \$841,948 of surplus towards future costs as detailed on the statement of surplus. During the year \$583,215 of the appropriated surplus was utilized.

# HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

## Notes to the Financial Statements

### year ended March 31, 1996

#### 7. COMMITMENTS AND CONTINGENCIES

##### i) Lease commitments

HEABC has an operating lease, expiring during 2008, in respect of its head office premises. HEABC also leases a vehicle and equipment under operating leases which expire at various dates to 1998. Future minimum lease payments, exclusive of operating costs, for each of the next five years ended March 31 and thereafter are as follows:

1997	\$ 961,056
1998	901,806
1999	905,374
2000	904,744
2001	904,455
Thereafter	<u>6,797,038</u>
	<u>\$ 11,374,473</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) 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.
- b) HEABC has entered in 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.

##### 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. These funds are not included in these financial statements. 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 Agreement. HEABC is administering the program through an Advisory Committee.

Balance, March 31, 1995	\$ 409,691
Distributed during the year (net)	<u>(108,283)</u>
Balance, March 31, 1996	<u>\$ 301,408</u>

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

# Address

## **Head Office**

200 - 1333 West Broadway  
Vancouver  
British Columbia  
V6H 4C6  
Phone: (604) 736-5909  
Fax: (604) 736-2715

## **Regional Offices**

205 - 2622 Pandosy Street  
Kelowna  
British Columbia  
V1Y 1V6  
Phone: (250) 862-3030  
Fax: (250) 763-6675

302 - 3371 Oak Street  
Victoria  
British Columbia  
V8X 1R2  
Phone: (250) 475-2290  
Fax: (250) 475-2097

