



HEA BC

Looking back, moving forward

Annual Report 1996 – 1997

Mission

In cooperation and partnership with health care employers and government, the Health Employers Association of BC (HEABC) will provide professional, accountable labour relations and human resource services that contribute to:

- Sustainability, innovation and service excellence in health care
- Consistent practices that contribute to quality care
- Harmonious labour-management environment
- Effective employer representation

Values

Through dedication and commitment, and in partnership with our members, we strive to:

- Safeguard the interests of our membership
- Advocate practices that contribute to the well-being of residents, patients, clients and their families
- Establish credibility through integrity, consistent quality service, professionalism and accountability
- Support growth based on continuous learning and education
- Offer respect and support for our employees

Vision

The voice of BC's health care employers.

HEABC

Annual Report 1996 – 1997

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Who We Are

The Health Employers Association of BC (HEABC), the first organization in Canada to represent the full spectrum of health care employers, was formed under the Society Act in response to the report of the Korbin Commission into the Public Service and Public Sector. The report outlined a process for creating 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 BC Association of Private Care (Pricare).

The Korbin Commission also called for the creation of single employer bargaining agents in the other public sectors, including Social Services, Colleges and Institutes, Universities, Crown Corporations and Agencies, and Education (Kindergarten to Grade 12). As a result, the Public Sector Employers Council (PSEC) was formed as "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." HEABC participates in the Council, along with employer representatives from each sector, government representatives, and a representative from the Public Service.

What We Do

Acting as a unifying body that serves a diverse group of approximately 500 publicly-funded health care employers, HEABC provides services and advice on issues relating to human resources, research, labour relations, compensation and bargaining, and works to ensure a consistent employer approach in these areas. One of the major roles of HEABC also involves supporting our members' interests by lobbying the government for positive legislative and structural changes. In addition, the Association has worked with the provincial government to develop the Health Sector Compensation Information System database to enhance cost-reporting mechanisms for health care employers.

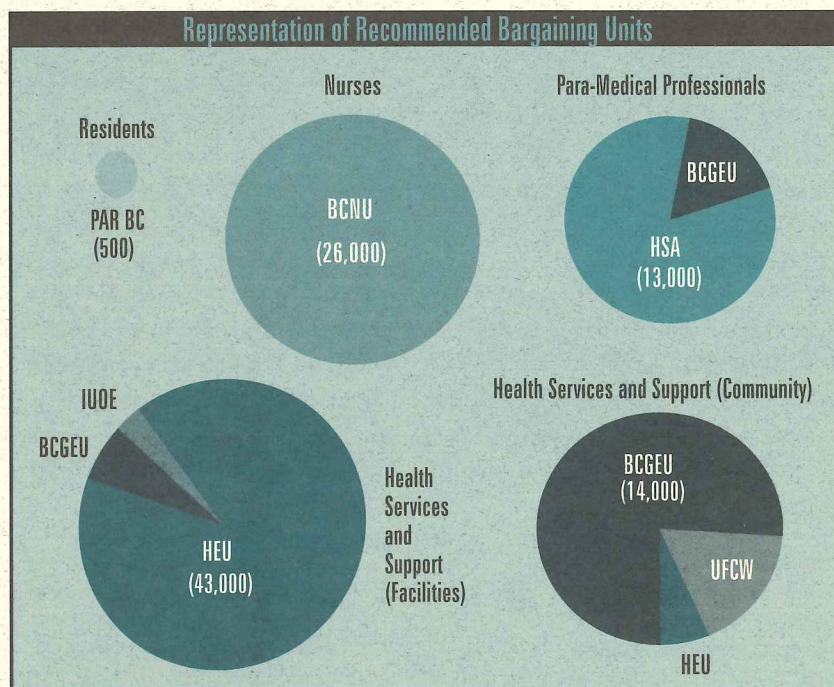
HEABC works to ensure fiscal accountability, provide effective management of human resources for both unionized and non-unionized staff, facilitate effective communication and coordination between employers and the various public sectors, and achieve a better balance of union/management and employer/employee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

Structure and Scope

During the past four years, HEABC has continued to provide the general and specific services in Human Resources and Labour Relations set out in the legislation. The Association operates out of a Head Office in Vancouver and regional offices in Kelowna and Victoria to provide a range of services and participate in a full slate of activities.

- Research
- Human Resource Initiatives
- Non-Contract/Executive Compensation
- Consultation and Coordination
- Communication
- Health Care Reform
- Bargaining
- Third Party Advocacy
- Essential Services Designations
- Strategic Planning
- Labour Adjustment
- Physician Recruitment
- Advocacy with Government on behalf of members (PSEC, labour legislation, funding)

Representation of Recommended Bargaining Units



Report of the Board Chair and Chief Executive Officer

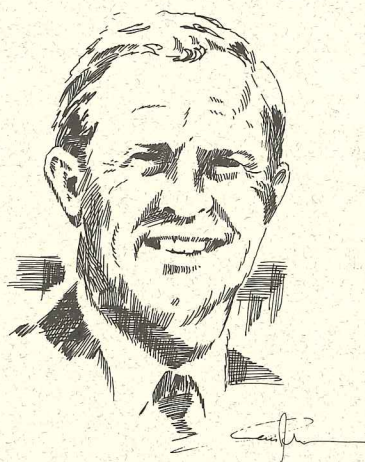


Perhaps more than ever, the year was dominated by being in a rapidly changing environment in which health reform continued to change to meet new demands and address both old and new issues. The beginning of our year was also the beginning of a new look at "New Directions," as The Honourable Joy McPhail called for a re-assessment of the regionalization process to date. The result is that the amendments made to the regional structure are designed to ensure effectiveness and efficiency while also addressing the broad needs of health care stakeholders.

This coincided with our decision to re-assess our role as an association with a similar goal in mind — to define and develop "a new focus" that would better meet the needs of our members. We have expanded our services where members have determined it appropriate. And we have continued to

take a leadership role in helping health care leaders prepare for the changes that are occurring around us ... and within our industry.

We can all take pride in the fact that during our short four-year history, our successes have been many. We began with a clear mandate to be the single body that would coordinate the human resource and labour relations interests of health care employers, and to be the unifying force that would create a strong voice for this group within the health care system and health care reform. As the strength of our presence has grown, so have our mandate and scope. We have broadened our emphasis beyond the reactive labour relations approach, and taken a proactive leadership role in human resource management. We have expanded our focus on wellness to include empowerment, teamwork, the new work environment, and job and



work design, and continued to support member education. New evaluation tools have been introduced to help us measure our processes, both internally and externally, and provide guidelines for total quality management and effective business procedures.

As we continue striving to balance the needs of our members with the needs of the system as a whole, we are doing it with a new vision of how we can work with other key players to build a new health care system based on shared values of labour/management respect, collaboration, and employee involvement. Members have identified areas where improvements can be made to ensure the most effective representation possible. Action will be taken to respond to these suggestions wherever practicable.

Mrs. Pat E. Zanon
HEABC Board Chair

While we live in, work with, and adapt to a mood of constant change, we have three constants that do not vary. Firstly, the diligence of an expert Board of Directors that is determined to provide the best possible services and outcomes to our members. Secondly, is a qualified staff dedicated to providing excellent service to our membership. Thirdly, and most importantly, is a membership that continues to place quality of care as a top priority.

As we look back with pride, we also look forward with confidence that we can continue to make a valuable contribution to our members. We would like to thank our staff, members and all those involved with HEABC for their role in building a health care system that will serve us all well in the future.

Mr. Gary A. Moser
President and CEO



Member Services and Support

A New Focus

In view of the changing environment of health care and the demands being placed on all parts of the industry, much of the Board's strategic planning session this year was directed at setting a new focus. The discussion paper *A New Focus*, which identified the need to enhance our customer service model and outlined the anticipated changes facing HEABC, was circulated at last year's AGM. With the goal of building a model that would make the necessary move toward providing higher-level, value-added services to assist our members, the activities centred on being "in touch" and making the necessary shift to services that are "in sync."

To make the shift that is inherent with a new focus, we contracted with a consulting team to hold 13 focus groups and gain feedback and ideas for creating a new service model that reflects and responds to the changing needs of our members and stakeholders. The resulting report will form the fundamental building block for future strategic planning and the provision of quality care.

New Resolutions

At the last AGM, a number of new resolutions were adopted. While some reflected the new focus of the Association and enhanced member services, others related to continuing to strengthen the role of HEABC in lobbying on behalf of its members on costs, funding and other issues.

New Technology

In keeping with our goal of "keeping in touch," and having efficient distribution of information, HEABC strives to use the latest technology while still being mindful of budgetary constraints.

To enhance communication with our members, all staff can be reached by e-mail and voice-messag-

ing. We also have a web service to disseminate information to our members and the general public through three servers, two for the general public and one for members and HEABC staff. The main public website contains general information about HEABC, such as services, staff, employment opportunities at HEABC, and links to other related sources. The second public website provides technical support for the Health Sector Compensation Information System (HSCIS). In addition to containing frequently asked questions and instructions for preparing data submission, it allows members to download data submission tools or send comments and suggestions to HEABC. The third site is an Intranet that can be viewed only by HEABC staff and members with user I.D. and password. It contains HEABC internal publications, announcements, contract interpretation manuals, electronic copies of HEABC broadcast faxes, as well as other publications such as CIUs and new provincial bargaining agreements.

Education

- Reflecting a strong commitment to education, HEABC has increased the scope and reach of the educational opportunities we are able to offer. During the year these included developing and presenting the following:
- Sixteen education sessions that covered a variety of labour relations issues ranging from grievance handling to discipline and attendance management. Feedback from the 433 participants gave high marks for the quality of material covered and the presentations.
- Twelve interpretation sessions on collective agreement contracts held throughout the province during May and June 1997. These sessions were well attended by our members.

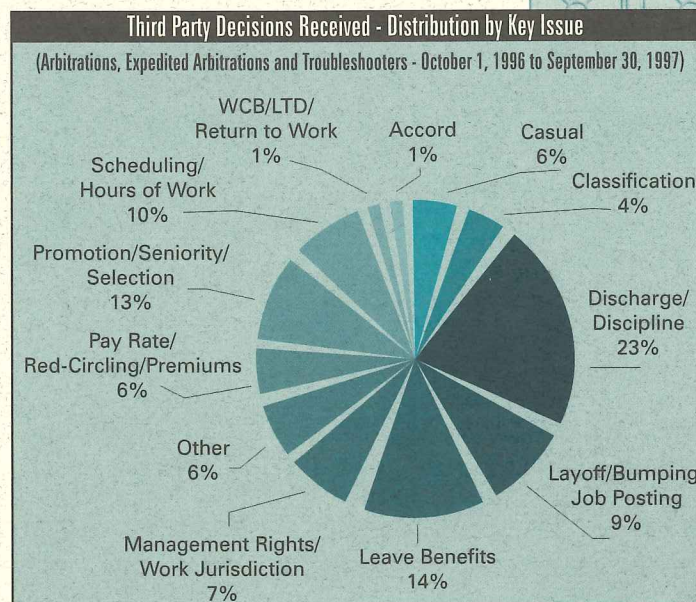
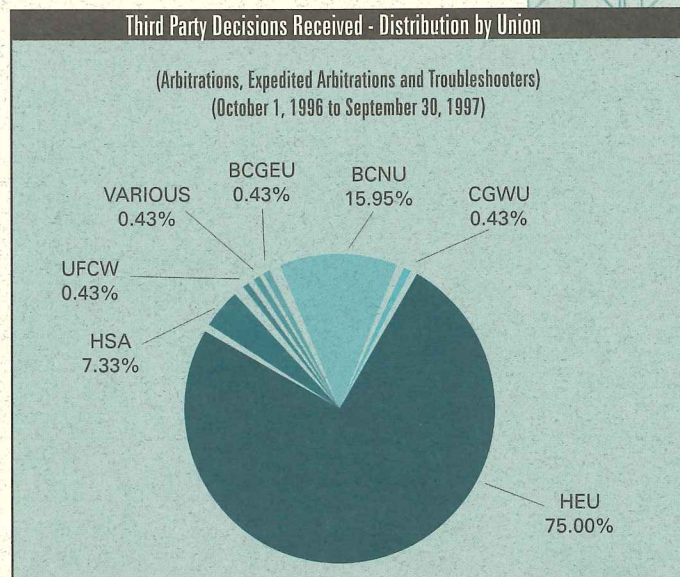
- A pilot program for health care leadership developed in partnership with a group of health care professional associations and Royal Roads University. The program, scheduled for November 1997, involves six days of study and interaction with a focus on leadership, systems thinking, resolving conflict, and the learning organization.

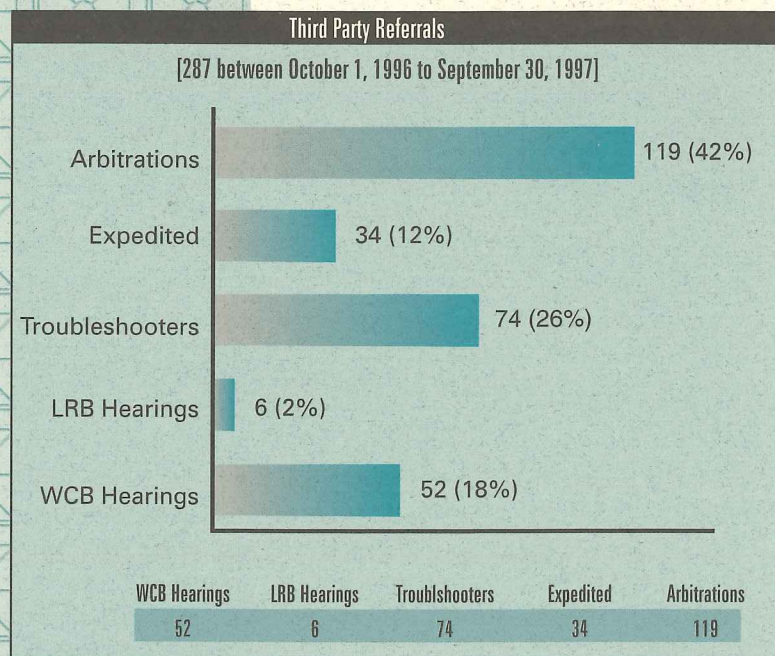
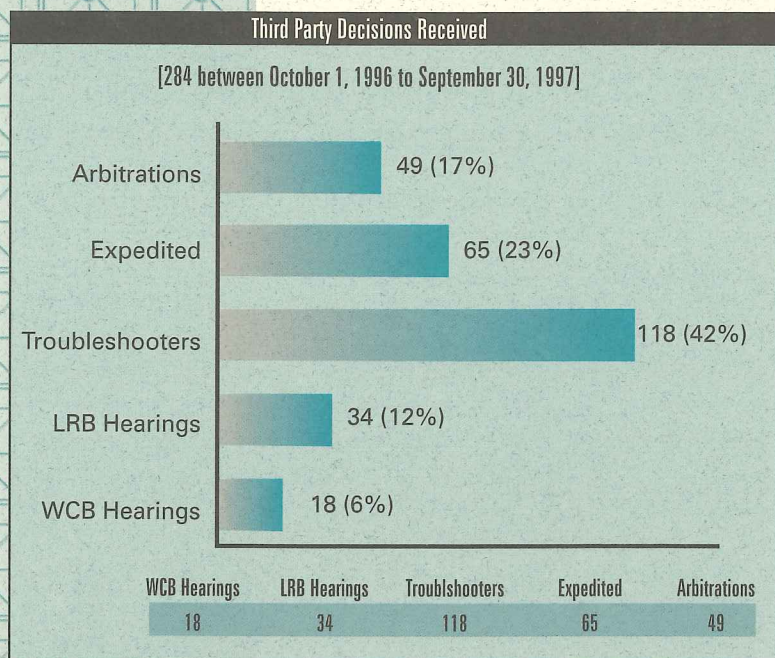
- Thirty-three workshops held in major centres across the province on implementing the Executive and Management Compensation Reference Plan.

Attended by close to 400 HEABC members, the workshops provided an understanding of the background of the plan and its components to develop the skills and knowledge necessary to implement it.

- A series of half-day information sessions on the Facilities Table Job Classification Plan that resulted from melding various collective agreements into the new bargaining tables. These were in response to the Levelling Award for the Facilities Subsector Collective Agreement, in which Stephen Kelleher awarded a procedure to move all organizations to the same classification system. As many employers had no experience with the awarded system, HEABC developed and conducted workshops across the province. Fifteen sessions were held, providing orientation for 228 people from 173 member organizations.

- A series of half-day information sessions held throughout the province to collect information and input from health care managers on the criteria to be used in the job classification plan resulting from the first collective agreement for the Health Services and Support Community Subsector. The seven sessions involved approximately 80 health care managers, and focused on isolating the





typical jobs and classification needs of the employers in this subsector.

- The two-day Human Resources Management Conference held in June 1997. This was a significant first for HEABC and HBT, and its success resulted in plans to hold it as an annual event. The conference was a sellout with 300 registered delegates attending.
- Twenty-eight Human Resources Advisory Group (HRAG) meetings involving our labour relations and compensation staff. These provided the opportunity to hear from our members, and allowed staff to update the members on key labour relations and human resources issues.

OH&S Initiatives

During the year, HEABC continued to provide a wide range of OH&S services to members. These included presenting WCB appeals, lobbying on WCB assessments, and advising on setting up health and safety and attendance programs. Clearly, many of the initiatives in the industry are working, and it is expected that in 1998 the assessment rate will drop by 19% from the 1997 rate.

Ongoing Servicing and Third Party Work

As indicated in the accompanying graphs, the number of calls, issues and third party work continued at a high level during 1996-1997.

Many of the questions related to change, as employers are consolidating services, consolidating organizations, and developing new ways to deal with their business. Since these changes have an impact on employees, they present implications on labour relations and human resources.

HEABC has continued to provide employers with CIUs, position papers, regular advice at HRAGs, Roadmaps, and special information material, such as the recently produced Nurses' Interpretation Manual to assist in these areas.

HEABC Publications Produced for Members

- HEABC 1996 Job Action Handbook Working Guidelines
- Legal Guidelines
- Catalogue of Human Resource Practices That Work
- Contract Interpretation Update Bulletins
- Shift Rotation Manual
- HEABC Update Newsletter
- Employer Rights on Managing Claims and Attendance
- Charting the Future of HEABC, A New Focus
- Employing the Chief Executive Officer - A Guide for Regional Health Boards and Community Health Councils
- Submission to the Regionalization Review Committee
- BC Physician Recruitment Program - a Guide for Communities
- HEABC Services Update
- General Information Update Bulletins
- Submission to the Labour Code Review Committee
- Procedures Manual - Physician Recruitment
- HEABC Roadmaps (explaining how to deal with key human resource challenges)
- Framework for Partnership in Human Resource Management Services
- Employment Security - "Inescapable Rules of Organizational Change"
- Human Resources Policies and Procedures
- Contract Interpretation Manual for the HEABC/Nurses' Provincial Collective Agreement*

Future Publications

- An Interpretation Manual for the Health Services and Support Facilities Subsector Agreement is in the processing of being completed.
- The Paramedical Professionals Interpretation Manual
- Health Services and Support Community Subsector Interpretation Manual

**Note: This publication deserves special note as it represented a major undertaking and is acting as a model and impetus for speeding up plans to develop Interpretation Manuals for the other major collective agreements.*

The comprehensive manual produced to assist members in the interpretation of the new Provincial Nurses' Agreement occupied many hours of staff time, as well as considerable time which members generously gave to act as the editorial review team. The print version of the manual was distributed to members in early September, followed by the electronic version on the HEABC website in late September.



Influences, Actions, and Initiatives 1996-1997

Mergers and Amalgamations

As expected, one of the major outcomes of health reform — the mergers and amalgamations that took place among many HEABC members — gathered considerable momentum during the year.

The size of HEABC's membership in terms of FTEs and budget size grew over the past year from the addition of new members and the transfer of health employees from the provincial and municipal governments. The actual number of voting members, however, decreased from 629 at last year's AGM to 500 at this time. This means that the average size of HEABC's voting members is increasing, and this trend is expected to continue.

The number of amalgamations, combined with the new requirements under the Dorsey Regulations and Bill 28, has created new workload challenges for both HEABC and the Labour Relations Board. At last count, HEABC has made over 200 applications to the LRB to amend, cancel, or create union certifications and to deal with other issues that inevitably arise as mergers and amalgamations occur.

Health Authorities Amendment Act 1997

In August 1997, the Health Authorities Amendment Act 1997 (Bill 28) was put into place by Cabinet. This legislation added a new section to the Health Authorities Act entitled *Part 3 - Health Sector Labour Relations*. It also repealed the Health Sector Labour Relations Regulation, and incorporated matters dealing with health sector labour relations.

While the legislation continued the five appropriate bargaining units in the health sector, it added a provision which allows unions that were removed from the health sector by the Health Sector Labour Relations Regulation an opportunity to re-enter the health sector and represent healthcare workers.

The legislation also provided for a wide variety of trade unions to represent employees within each of the five appropriate bargaining units. The unions in each of these bargaining units are still required to form an Association of Bargaining Agents to negotiate with HEABC.

Korbin Review

In July 1997, the provincial government appointed Ms. Judi Korbin to look at the impact of a number of changes in the structure and process of membership service and collective bargaining as well as the impact of bargaining on CSSEA and HEABC. Also included in the review are the PSEC guidelines used to determine whether an employer is more appropriately a member of CSSEA or HEABC. While much of the Korbin review is expected to focus on CSSEA, it is expected that — as with all the changes that are occurring in the health sector — a number of the recommendations will have some implications for HEABC.

Paramedical Provincial Agreement — Melding and Levelling

Responding to Vince Ready's 1996 IIC Recommendations, which finalized some items and put processes in place on others, HEABC has

worked toward a melded and levelled provincial collective agreement for all paramedicals. The melded part of the agreement dealing with non-cost items was completed in May 1997. After considerable mediation on the levelling (or cost items), we proceeded with arbitration on several outstanding items with Colin Taylor.

Nurses Table — Melding and Levelling

Mr. Ready's recommendations were also the basis for negotiations between HEABC and BCNU that continued throughout the year to establish the first melded Provincial Nurses Collective Agreement. Faced with the task of melding over 82 different collective agreements into one, the parties met on more than 80 days, and successfully negotiated close to 95% of the agreement. The outstanding issues were put to Mr. Ready as arbitrator, and his award was issued May 21, 1997.

Despite the lengthy process, the melding negotiations went well from the employers' perspective. Most provisions were reached through voluntary agreement, and on the few issues that had to be resolved through arbitration, Mr. Ready adopted the employers' position. Modest improvements were made to the language that was previously part of the Master Agreement, and many of the provisions of the Standard Agreement that we had hoped to retain were kept. Most of the union's superior benefits demands, particularly those arising from the agreements for nurses transferring from the provincial and municipal governments, were avoided. BCNU has questioned some issues regarding community nurses, such as mileage allowance and discontinuing the practice of portal to portal allowances, and these have been referred back to Mr. Ready to clarify. The question of how the \$9 million awarded by Mr. Ready will be distributed among the various unions has also been referred back to him.

Health Services and Support Facilities — Melding and Levelling

The levelling/melding process at the Health Services and Support Facilities Subsector table is nearly complete, following 15 days of mediation, written submissions and a formal hearing. A

process is currently underway to determine which local memoranda from the original 64 collective agreements will be included in the new agreement.

Community Subsector Negotiations

After more than 15 months of collective bargaining and the complexity of negotiating one collective agreement covering over 70 HEABC member organizations, the first collective agreement covering employees in the Community Subsector was ratified on September 5, 1997.

The agreement became effective on September 12, 1997 and will expire on April 2, 1998. Over this term, employees who currently receive the least will receive the greatest compensation increases. The agreement allows for a 1% wage increase as of April 1, 1996, 1% as of April 1, 1997, and 1% as of November 30, 1997. HEABC undertook to ensure funding commitment for the agreement reached at the bargaining table would be met. Employers voted to ratify this agreement by a substantial margin.

PAR-BC Negotiations

After holding lengthy negotiations with the Residents over the past months, HEABC has offered essentially the same package as offered at the other three main bargaining tables. Agreement has not yet been reached, and the outstanding matters are currently at mediation.

Health and Welfare Benefits Committee

This committee, formed as a result of the Vince Ready IIC Recommendations and consisting of five employer representatives and five union representatives, met continuously over the past year to analyze the current benefit packages, the role of the Healthcare Benefit Trust, and issues on return to work, prevention and workload. The committee will report by January 1998 to provide recommendations on health and welfare benefits for 1998 negotiations. The group also dealt with payments to LTD claimants who have been off for long periods of time. These payments have been processed to provide additional money to employees on LTD. In addition, a fund of \$150,000 has been set up to promote early return-to-work programs.

Physician Recruitment Program

With the goal of developing recruitment and retention strategies for physicians in outlying areas, HEABC conducted four focus groups with stakeholders from 23 northern communities. A copy of our report, which sets out more than 60 recommendations to address physician supply, was provided to the Ministry of Health. We were also asked by the community of Chetwynd, B.C. to facilitate two Town Hall meetings to address their challenges on recruiting physicians.

Non-Contract Labour Adjustment Program

HEABC continued to administer the Non-Contract Labour Adjustment Program, and during the year assisted many employers and employees with relocation expenses, job search expenses, education expenses, and job matches.

Contract Reform Project

HEABC represented its members on the Council for Contract Reform established by the Treasury Board to adopt a new process that will establish a more consistent and simplified system of contract renewal for service providers.

The project was completed in the fall, and the Contract Reform Information Package was for-

warded to those members who are currently involved in contracted services in community health and social services.

Non-Contract Compensation

In 1997, HEABC began implementing the Compensation Reference Plan, which consists of tools to assess the relative worth of roles in the health sector, reference salary ranges to ensure credible and defensible compensation levels for executive and non-contract staff, and comprehensive guidelines to provide for consistency in administering the compensation system.

Designing and implementing the Compensation Reference Plan was one of the most complex compensation review processes undertaken by HEABC, and the first comprehensive compensation plan for executive and non-contract staff in the public sector to be approved by PSEC. This was achieved through the cooperation and support of HEABC members and the dedication of the Industry Advisory and Technical Committees that assisted HEABC throughout the development of the project. Because of the leadership displayed by the health sector, HEABC is in a position to influence PSEC on important policy issues affecting executive and non-contract compensation.

Certification Activity

Certification activity continues at a high level due to labour reform. Most applications for certification now involve units of less than 12 employees.

Sector	Applications 1997	Applications 1996
Facilities	6	6
Nurses	33	64
Community	43	34
Paramedical Professionals	11	73

Recently, the Government introduced legislation that will provide a framework for termination standards in the broad public sector. As this will impact all contracts of employment and general terms and conditions of employment that began or were renewed or revised after April 30, 1997, HEABC is working with employers to ensure that all new employment contracts meet the new standards.

Facilities Subsector Pay Equity Program

HEABC has continued to work with employers and the applicable health care unions, to gain consensus on pay equity wage adjustments under the collective agreement, and to continue the previous work to address pay equity issues in health care. Although implementing the pay equity plan established in 1994 continues, the Hospital Employees' Union wants to establish comparability with the BC Government and Service Employees' Union, and this may alter the current pay equity plan. The dispute over this issue is being addressed by Arbitrator Stephen Kelleher.

Community Subsector Job Classification Plan

The negotiation of the first collective agreement for the community subsector negotiation table resulted in a commitment to review and recommend a job classification plan. The recommended plan and cost will be part of the next session of negotiations.

HEABC conducted workshop sessions throughout the province to collect job information and input from health care managers on the criteria to be used in the plan. A joint union-management committee will review proposals, and a third party has been designated to assist with the process.

Job Classification Plan for Nurses Transferring to Health

HEABC and representatives of the Public Service Employee Relations Commission, the Ministry of Health, the British Columbia Nurses' Union and employer representatives completed work on a job classification plan for nurses in the government and municipalities who have transferred to health

care organizations. This process ensures that these nurses are properly classified using the same criteria as the job classification that was put in place a few years ago for health care nurses.

BCNU Casual Call-In

During the year, casual call-in by seniority was introduced into the Nurses' Agreement. Following Mr. Ready's IIC Recommendations for the use of seniority in utilizing casuals, HEABC and BCNU negotiated the special language governing casual call-in.

At the end of the negotiations, the language was considered superior to that which had existed in HEU collective agreements for a number of years, and this was seen as a minor victory for the employer. A number of members, however, found that the application of the language had created significant problems in terms of increased cost, and importantly, had compromised the delivery of service in some instances. BCNU has advised HEABC that the language does not go far enough, and will be seeking to improve it from the nurses' perspective in the next round of bargaining. This will also be a priority issue for HEABC members.

Pre-Bargaining Process for 1998

Even though we have not yet completed all of the items flowing from Vince Ready's 1996 IIC Recommendations, we are already starting to prepare for 1998 negotiations. Once again in 1998, we will face numerous uncertainties.

Regionalization and the ability to move employees and change work processes are at the top of the list of employer demands.

Bill 28 is now law and changes the unions involved in negotiations. While the previous Dorsey recommendations and subsequent legislation eliminated numerous unions from health care bargaining, Bill 28 has put those unions back into the bargaining process. This will mean uncertainty for us in 1998 bargaining as the new union bargaining associations are formed. And with more unions at the table, there will be more complications that we will need to respond to.

Current Board of HEABC

Fraser Valley — AC	Pat Zanon , <i>HEABC Board Chair, Chief Executive Officer, South Fraser Health Region</i>
Fraser Valley — AC	Doreen Biener , <i>Trustee, South Fraser Health Region</i>
Fraser Valley — CC	Gordon Riggins , <i>Trustee, Langley Home Support Service Society</i>
Kootenays — AC	Jake McInnis , <i>Trustee, Cranbrook Health Council</i>
Kootenays — CC	Marg Ormond , <i>Trustee, Nelson Jubilee Manor Society</i>
Lower Mainland — AC	Brian Schmidt , <i>Executive Vice-President & Chief Operating Officer, BC Cancer Agency</i>
Lower Mainland — CC	John Van Luven , <i>Executive Director, St. James Community Service Society</i>
Lower Mainland — CC	Steve Gardner , <i>Administrator, Central Park Manor</i>
North East — CC	Ray Scott , <i>HEABC Hon. Secretary-Treasurer, President & CEO, Prince George Regional Community Care Society</i>
North West — AC	Ken Harding , <i>Trustee, Prince Rupert Regional Hospital</i>
Thompson-Okanagan — AC	Murli Pendharkar , <i>Chair, Okanagan Similkameen Health Region</i>
Thompson-Okanagan — CC	George Wellwood , <i>Past HEABC Board Chair, Director, Regional Programs, North Okanagan Regional Health Board</i>
Vancouver Island — AC	Don Brown , <i>Senior Health Administrator, Comox Valley Community Health Council</i>
Vancouver Island — CC	Joan Wright , <i>Executive Director, Cowichan Home Support Society</i>

AC = Acute Care
CC = Continuing Care

Special Appointments

COUTH
Council of University
Teaching Hospitals

Tom Ward, *Interim CEO, St. Paul's Hospital*

Proprietary Care

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

Tertiary Care

Murray Martin, *Chief Executive Officer, Vancouver Hospital and Health Sciences Centre*

Community Health Services

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

B.C. Government Appointments

Government

Bill Adams, *Executive Director, Public Sector Employers' Council Secretariat, Public Sector Employers' Council*

Government

David Kelly, *Deputy Minister of Health, Ministry of Health and Ministry Responsible for Seniors*

Government

Ron McEachern, *Deputy Commissioner, Public Service Employee Relations Commission, Ministry of Finance*

HEABC Board Committees

EXECUTIVE COMMITTEE - 6 members

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

FINANCE & AUDIT COMMITTEE - 5 members

Ray Scott, Committee Chair
Pat Zanon, Board Chair
Don Brown
Brian Schmidt
Joan Wright

STRATEGIC PLANNING COMMITTEE - 6 members

Doreen Biener, Committee Chair
Pat Zanon, Board Chair
Murli Pendharkar
Ron McEachern
Margaret Ormond
Tom Ward

RESOLUTIONS & ANNUAL GENERAL MEETING - 5 members

George Wellwood, Committee Chair
Pat Zanon, Board Chair
Bill Adams
Steve Gardner
Colleen Tracy

NOMINATING COMMITTEE - 4 members

Murray Martin, Committee Chair
Gordon Riggins
John Van Luven
George Wellwood

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).

Regional Council Executive

Lower Mainland Regional Council

Vacant, Chair
Steve Gardner, Vice-Chair
John Van Luven, Secretary-Treasurer

Fraser Valley Regional Council

Werner Pauls, Chair
Heather Maxwell, Vice-Chair
Lynda Davlut, Secretary-Treasurer

Thompson-Okanagan Regional Council

Murli Pendharkar, Chair
Bob Heise, Vice-Chair
Sandie Hoberg, Secretary-Treasurer

North West Regional Council

Elio Assara, Chair
Robert (Bob) Miller, Vice-Chair
Art Demoline, Secretary-Treasurer

North East Regional Council

Andrew Neuner, Chair
Kenneth Last, Vice-Chair
Vacant, Secretary-Treasurer

Vancouver Island Regional Council

Bob Myers, Chair
Vacant, Vice-Chair
Peggy Klaassen, Secretary-Treasurer

Kootenay Regional Council

Sheila Hart, Chair
Candy Parrilla, Vice-Chair
Jim Hanon, Secretary-Treasurer



HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

FINANCIAL STATEMENTS

MARCH 31, 1997

AUDITORS' REPORT

To the Members of,
Health Employers Association of British Columbia,

We have audited the balance sheet of the Health Employers Association of British Columbia as at March 31, 1997 and the statements of changes in net assets, revenues and expenditures and cash flows 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, 1997 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 year.

Deloitte & Touche

Chartered Accountants

New Westminster, B.C.
May 8, 1997

**Deloitte &
Touche**



HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA BALANCE SHEET

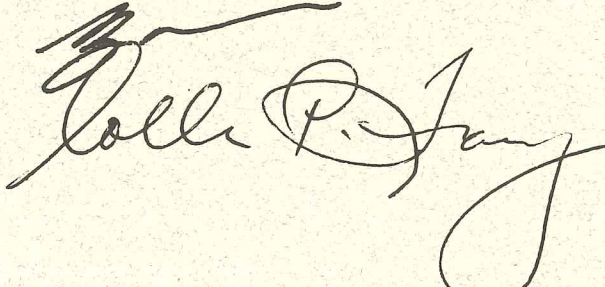

as at March 31, 1997

CURRENT ASSETS	Notes	1997	1996
Cash		\$ 579,255	\$ 158,764
Short-term investments		2,004,665	2,511,205
Accounts receivable		114,529	162,023
Prepaid expenses		27,709	36,443
		2,726,158	2,868,435
Capital assets	3	527,637	623,483
		\$ 3,253,795	\$ 3,491,918
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 884,540	\$ 931,959
Deferred rent inducement		-	16,061
Deferred contributions	4	166,255	298,910
		1,050,795	1,246,930
Liability under severance plan		98,144	76,864
		1,148,939	1,323,794
NET ASSETS			
Net assets invested in capital assets		527,637	623,483
Net assets internally restricted	5	82,342	258,733
Unrestricted net assets		1,494,877	1,285,908
		2,104,856	2,168,124
		\$ 3,253,795	\$ 3,491,918

Commitments and contingencies

7

APPROVED BY THE BOARD

 Director
 Director

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA STATEMENT OF CHANGES IN NET ASSETS

year ended March 31, 1997

	Notes	Invested in Capital Assets	Internally Restricted	Unrestricted	1997 TOTAL	1996 TOTAL
Balance, beginning of period		\$ 623,483	\$ 258,733	\$ 1,285,908	\$ 2,168,124	\$ 2,281,908
Excess (deficiency) of revenues over expenditures		(236,086)	-	(172,818)	(63,268)	(113,784)
Investment in capital assets	5	140,240	(2,394)	(137,846)	-	-
Payment of legal expenditures	5	-	(164,162)	164,162	-	-
Payment of PSERC/BCNU job classification transition expenditures	5	-	(9,835)	9,835	-	-
BALANCE, END OF PERIOD		\$ 527,637	\$ 82,342	\$ 1,494,877	\$ 2,104,856	\$ 2,168,124

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

STATEMENT OF REVENUES AND EXPENDITURES

year ended March 31, 1997

	Notes	1997	1996
Revenues			
Membership funding	6	\$ 8,079,000	\$ 7,500,000
Fee for service		3,139	6,579
Administration fee		203,806	203,818
Interest and other revenue		99,112	233,969
		8,385,057	7,944,366
PSERC/BCNU job classification government grant		-	84,801
Non-contract executive compensation grant	4	30,714	49,156
		8,415,771	8,078,323
Expenditures			
General operations:			
Salaries and benefits		4,951,496	4,820,378
Travel and meetings		559,769	557,067
Arbitration and hearing costs		101,062	85,475
Legal and professional		693,011	628,298
Recruiting and relocation		10,205	11,671
Staff training - research and memberships		83,937	85,735
Office expenses, printing and reproduction		436,880	401,381
Rental - office and equipment		1,140,215	1,039,968
Amortization		236,086	226,666
GST - unrecoverable		111,328	114,475
Special projects - Physician recruitment		114,501	79,213
		8,438,490	8,050,327
Non-general operations:			
PSERC/BCNU job classification		9,835	92,624
Non-contract executive compensation	4	30,714	49,156
Total expenditures		8,479,039	8,192,107
DEFICIENCY OF REVENUES OVER EXPENDITURES		\$ (63,268)	\$ (113,784)

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

STATEMENT OF CASH FLOWS

year ended March 31, 1997

	1997	1996
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Deficiency of revenues over expenditures	\$ (63,268)	\$ (113,784)
Add (deduct) items not involving cash:		
Amortization	236,086	226,666
Deferred rent inducement	(16,061)	(19,274)
	156,757	93,608
Changes in non-cash working capital balances		
Accounts receivable	47,494	(25,267)
Prepaid expenses	8,734	13,780
Accounts payable and accrued liabilities	(47,419)	76,212
Deferred contributions	(132,655)	(649,156)
	32,911	(490,823)
FINANCING		
Decrease in long-term debt	-	(19,290)
Increase in liability under severance plan	21,280	5,412
	21,280	(13,878)
INVESTING		
Purchase of capital assets	(140,240)	(253,373)
NET CASH OUTFLOW	(86,049)	(758,074)
CASH POSITION, BEGINNING OF YEAR	2,669,969	3,428,043
CASH POSITION, END OF YEAR	\$ 2,583,920	\$ 2,669,969
Represented by:		
Cash	\$ 579,255	\$ 158,764
Short-term investments	2,004,665	2,511,205
	\$ 2,583,920	\$ 2,669,969

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 1997

1. DESCRIPTION OF OPERATIONS

The Health Employers Association of British Columbia ("HEABC") is a non-government body formed under the Society Act (British Columbia) so there will be one employer organization for all of the health care industry. HEABC is a non-profit organization under the Income Tax Act.

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, fixtures and 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

HEABC follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

d) Short-term investments

Short-term investments consist of Bankers Acceptances yielding 3.04% - 3.15% interest.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	1997 Net Book Value	1996
Furniture and fixtures	\$ 427,791	\$ 331,250	\$ 96,541	\$ 112,590
Equipment	394,470	209,046	185,424	220,366
Data processing equipment	721,396	493,883	227,513	270,419
Leasehold improvements	24,454	6,295	18,159	20,108
	\$ 1,568,111	\$ 1,040,474	\$ 527,637	\$ 623,483

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA

NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 1997

4. DEFERRED CONTRIBUTIONS

	1997	1996
Pay equity grant	\$ 96,494	\$ 98,434
Executive and non-contract compensation grant	69,761	200,476
	<u>\$ 166,255</u>	<u>\$ 298,910</u>

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 within the 1997/98 fiscal year. The Gender-Based Wage Arbitration has been delayed within third party review involvement.

ii) Executive and Non-Contract Compensation

HEABC received funding for this new compensation program that flows from the new expanded role of the employers' association - 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 and HEABC is working with employers on the initial assessment of non-contract jobs. The concluding start-up phase of the plan, delayed because of the government's temporary freeze on regionalization, should be completed within the 1997/98 fiscal year.

5. RESTRICTIONS ON NET ASSETS

In 1995, the Board of Directors internally restricted \$841,948 of unrestricted net assets to be used for specified future costs.

During the year, \$176,391 (1996 - \$583,215) was utilized. The balance remaining is to be used to complete the PSERC/BCNU job classification transition project. The internally restricted amounts are not available for other purposes without approval of the Board of Directors.

6. MEMBERSHIP FUNDING

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

NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 1997

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 2001. Future minimum lease payments, exclusive of operating costs, for each of the next five years ended March 31 and thereafter, are as follows:

1998	\$	913,722
1999		913,799
2000		910,642
2001		905,738
2002		911,326
Thereafter		<u>5,870,720</u>
	\$	10,425,947

The future minimum lease payments include amounts relating to office space which has been subleased to the Healthcare Benefit Trust.

ii) Contingencies

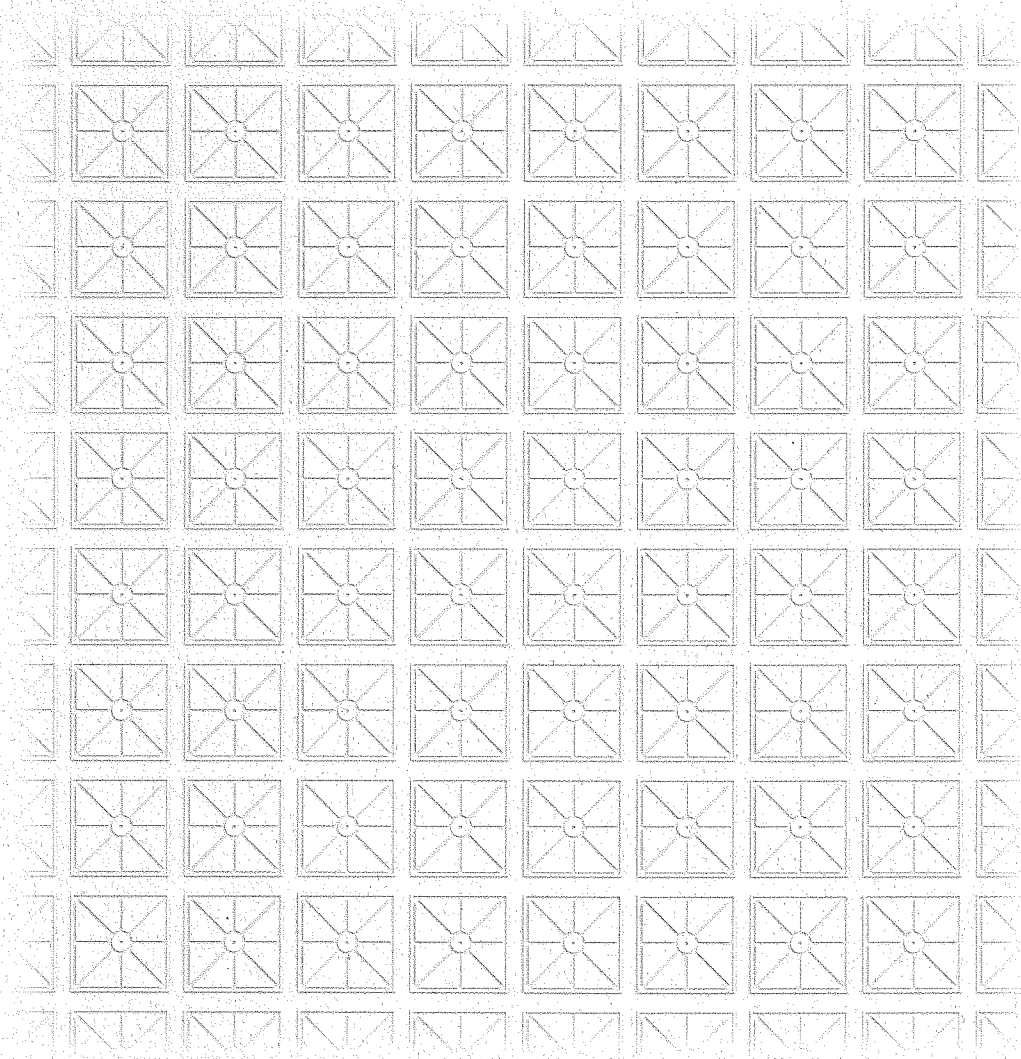
- HEABC is responsible for its allocated share of the unfunded liability of the Municipal Superannuation Plan. The amount and method of funding the liability has not yet been determined.
- HEABC has entered into an agreement with a senior employee to purchase additional pension service credit of one 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.

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, 1996	\$	301,408
Distributed during the year (net)		<u>(66,161)</u>
Balance, March 31, 1997	\$	235,247

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





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