

# ***Saturna Sustainable Health Funding Committee***

## **Request for New Service - Referendum Application**

### **New Service Description and Rationale**

#### **1. What is the purpose of the service?**

The purpose of the service is to create a secure and predictable source of revenue to cover maintenance and operating costs for the Saturna Island Medical Clinic (Medical Clinic). The revenue required for this purpose is estimated at \$26,000 - \$30,000 per year over the seven year period between 2019 and 2026.

The Saturna Community Club (SCC), through its volunteer Health Services Committee, has, for decades, operated the Medical Clinic on behalf of the Saturna community. The SCC was established in 1932 and was incorporated under the BC Societies Act in 1945. The current - purpose-built - Medical Clinic was constructed in 2005 as a small wing of the Saturna Recreation Centre with funds raised by the Saturna community. The Medical Clinic is owned by the Saturna Recreation Centre Society (SRCS) but a Memorandum of Understanding with the SCC outlines the use of space for health purposes only and obligates the SCC to compensate SRCS for costs directly related to the maintenance, administration and operation of the Medical Clinic portion of the building. In recognition of the significant financial contributions by donors to Medical Clinic construction, the SCC is not responsible for any further capital costs for the facility.

The Medical Clinic provides space for health care services and programs, including the once-weekly physician and nurse practitioner visits, and the itinerant home care nurse and mental health counsellor contracted by Vancouver Island Health Authority (Island Health). The Medical Clinic also offers a medical equipment loan cupboard, referrals management, co-ordination of a prescription pick-up service, issuance of Medical Travel Assistance Program travel passes to allow Saturna residents to travel off-island for tests and consultations and, on occasion, hearing testing. At present, two health care professionals not contracted by Island Health - a massage therapist and an acupuncturist - also practice on a part-time basis from the Medical Clinic. The clinic is used, on an as-needed basis, by Saturna Island Rescue, the island's voluntary emergency medical services crew.

Medical equipment and drugs, and the salaries and travel expenses for the contracted medical practitioners are paid for by Island Health. Island Health also pays a portion of the salary for the Medical Office Assistant (MOA) and for restocking medical supplies.

The Saturna community, through the SCC, covers the remaining costs: for clinic utilities and maintenance, non-medical and office equipment and supplies, and a portion of the salary and all benefits for the MOA. (Clinic management is provided on a volunteer

basis through the Health Services Committee). The SCC's annual contribution to the Medical Clinic has been about \$12,300 annually for the past two years. The SCC's main source of funds is the annual Saturna Lamb BBQ on Canada Day, although it does receive minor income through rental fees to non-contracted health care providers, clinic patient fees for services not covered by the Medical Services Plan, and donations. The Lamb BBQ proceeds also support the SCC's other facilities including the Community Hall and the Saturna Island Cemetery.

The Board of Directors of the SCC wishes to access a more secure and predictable source of funding for the Medical Clinic which would take the pressure off Lamb BBQ funds for clinic operation and enable their use for other important community endeavours. More secure funding would also allow the creation of two part-time paid positions - Clinic Manager (or Health Services Director) and bookkeeper - to support clinic operations. These positions are currently filled by volunteers who are well past retirement age. A property tax levy would achieve the SCC's objective. Additionally, it could enable the SCC to consider, at some point in the future, a minor expansion in the variety of health support services available to island residents and visitors.

## **2. How does the service relate to the Capital Regional District's Mandate?**

The CRD serves as the local government to three electoral areas, one of which is the Southern Gulf Islands, of which Saturna is one island. According to the CRD's Mission, Vision and Values statement, the CRD strives to achieve exemplary environmental stewardship, a dynamic, vibrant economy, and an inclusive and caring community.

The proposed service relates to the CRD's mandate in a number of ways, ranging from the achievement of an inclusive and caring society and mutual respect and collaboration between the CRD and its stakeholders/customers to accountable, productive and fiscally responsible administration. According to the CRD Corporate Plan, 2015-2018, a goal of the CRD is to improve the effectiveness, efficiency and continued delivery of services that provide value for money. "Community health and well-being" is one sub-theme of the Corporate Plan theme "Livability" and "protective services" (e.g., collaboration with partners to prepare for, respond to and recover from emergencies) is a sub-theme of the Corporate Plan theme "Serve". The proposed service will enable inter-agency response to support the well-being of Saturna Island residents, while recognizing the Province as the primary agency for population health.

## **3. Which type of service is proposed?**

The service is best described as a contribution service by which the CRD levies a property tax to provide secure and predictable operating funding for the Saturna Medical Clinic. The funding would be used to cover the community's portion of the funding required to operate the Saturna Medical Clinic. The tax levy funding would not subsidize services that fall under Island Health's mandate.

**4. Who will benefit from the service? (What electoral area would be contributing to funding the service? If proposed service area is the same as for an existing CRD service, identify that service.)**

Beneficiaries of the service will be Saturna island residents and visitors to the island. Total patient visits in 2016 to the physician and nurse practitioners were 932 over 100 clinic days or 9.3 patients per 5 hour clinic day. In 2017, 933 patients were seen over 92 clinic days or 10.1 patients per clinic day.

Saturna Island is part of the electoral area Southern Gulf Islands. Contributors to funding the service will be property owners on Saturna Island. Existing CRD-funded services on Saturna Island include Saturna Fire Protection Society, Eddie Reid Memorial Library, Saturna Parks and Recreation Commission, Harbours Commission, Lyall Harbour/Boot Cove Water System, and the Saturna Heritage Centre (Fog Alarm Building).

**5. Explain how the proposed service will be effective in responding to the identified need.**

There is considerable concern among Saturna residents about the Lamb BBQ's continued viability as a source of funding as volunteers age (the average age on Saturna is 59 years; Canada Census, 2016). Moreover, Lamb BBQ profits in any given year could be greatly curtailed by bad weather and other factors beyond island residents' control. A secure and predictable source of funding for the Medical Clinic would allay concerns about the clinic's continued operation, and allow the SCC to cover other existing responsibilities and emerging community needs with BBQ proceeds. In seeking a tax levy for the Medical Clinic, the SCC will be able to prepare a preliminary multi-year budget with an expectation that funding for the budget items will be in place. (See Schedule A).

**6. What evidence is there to demonstrate community need and support for the service? (E.g., Petition for Electoral Area services as per Section 337 of the Local Government Act).**

Clinic utilization statistics (an average of 10 appointments per 5 hour clinic day in 2016 and 2017) are evidence of need for the Medical Clinic, and the need for stable and predictable funding is outlined above.

Preliminary community feedback on the tax levy proposal has been overwhelmingly positive.

To examine the feasibility of and the mechanics to obtain a tax levy to fund the Medical Clinic, the SCC struck a broad-based ad hoc committee (Sustainable Health Funding Committee - SHFC) with representatives from the SCC itself and a range of supporting Saturna organizations including Saturna Island Ratepayers and Residents Association,

the Saturna Recreation Centre Society (SRCS), and the Saturna Health Services Committee. The SHFC created a set of four Fact Sheets in 2017 on topics relevant to funding the Medical Clinic and health services on Saturna. The Fact Sheets include information on the importance of the Medical Clinic to the Saturna community, how the Clinic is funded and why that funding method is not sustainable, other options for securing funding, and how health funding works on selected other southern and northern Gulf Islands. The Fact Sheets were distributed via mail drop, on on-line bulletin boards and local websites, and by committee members at Wednesday recycling and Saturna markets during July and August 2017. Articles on the tax levy proposal also appeared in the local monthly newsletter. The SHFC also sponsored a public meeting on October 7, 2017, attended by more than thirty people, to provide information on:

- Possible alternative funding sources for the Medical Clinic and the advantages/disadvantages of each, with a conclusion that a tax levy is the most effective and practical;
- The Medical Clinic budget envisioned by the SHFC and what it would mean in terms of additional taxes;
- Procedural information about a referendum;
- Possible governance models and the advantages/disadvantages of each;
- Questions and concerns raised since the Fact Sheets were released.

Committee members have collected comments from Saturna residents in face-to-face conversations while staffing the Fact Sheet tables, through an email account created for the purpose, and at the public meeting. As noted above, feedback has been overwhelmingly positive.

## **7. How would you characterize the community's current understanding/expectations concerning the implications of the service in terms of cost, service level, and service management?**

The SHFC created three additional Fact Sheets which were released to the Saturna public in early February 2018 through various means including mail drop, on-line resources, and at community venues and events. With reference to cost, Fact Sheet #5 provides detailed information on the proposed budget for the Medical Clinic over the next eight years and the amount required through the tax levy.

Fact Sheet #6 describes the referendum process and provides information on who is eligible to vote. It also contains a simple mathematical formula, based on comparisons with taxes paid for the Saturna Fire Protection Society, to assist taxpayers to calculate the approximate amount of tax each would pay for the Medical Clinic.

Fact Sheet #7 features questions - raised at the public meeting, through email correspondence, and in conversations with island residents - and detailed responses to them. In terms of service level, it explains that the tax funds would cover only the community's portion of Medical Clinic operations - maintenance, utilities, office equipment and supplies, and the Medical Office Assistant's salary - and not actual

medical services. It also explains that the SCC is taking a minimalist approach - trying to stabilize the funding for services offered at present - so that, at least in the first few years of a tax-funded Medical Clinic, no expansion of services would be envisioned.

With regards service management, there has been much discussion - at the October 2017 public meeting, at open quarterly meetings of the SCC and within other relevant organizations on Saturna - of governance models. The outcome of those discussions is that the SCC will continue as the operational/management body for the Medical Clinic until such time as a new society may be required. (Motion approved at the December 4, 2017 Quarterly Meeting of the SCC).

The SHFC will continue to dialogue with the Saturna community about the tax levy proposal. Additional Fact Sheets can be created and distributed as required, and ads and regular articles will be placed in the local monthly newsletter and on Saturna's electronic bulletin board and relevant websites over the next several months. Additional public meetings and information displays at community events will be planned for spring and autumn 2018.

## **Service Cost and Operation**

### **8. Does the new service involve capital expenditures? If YES, specify the expenditures and their approximate costs.**

No. As outlined in Question 1, above, the SCC does not have responsibility for capital improvements/replacements.

### **9. What is the estimated annual operating cost of the service?**

For 2019/2020, the estimated budget to cover the community's portion of funding the Medical Clinic is \$26,000 (not including the cost of a successful referendum). That figure is expected to rise to about \$30,000 by 2025/2026 as a result of inflation. CRD administration fees will be included in the budget.

### **10. Please provide as much information as possible concerning ownership, operation and management of the assets of the service.**

- |   |          |
|---|----------|
| a. Who will own the assets of the service?      | SRCS     |
| b. Who will maintain the assets of the service? | SRCS/SCC |
| c. Who will manage the service?                 | SCC      |

#### **Additional Comments:**

The majority of those involved in the tax levy proposal favour a continuing role for the SCC in overseeing/funding the Medical Clinic as opposed to creating a separate, health-specific non-profit society for the task. The SCC has existing and experienced administrative and governance structures, and a long and solid reputation. While health

and community well-being are but part of its focus, its budget is structured to ensure that Medical Clinic financial matters constitute a discrete portion of the overall financial statement. Establishment of a new non-profit society would entail expenses (e.g., incorporation, insurance, audits) and the creation of a new Board of Directors. The latter could represent a considerable burden on an island of 354 people (2016 Canada Census) which relies on volunteer energy and commitment for much of its functioning,

**11. Will a local organization be involved in the service? If YES, what role would it have?**

Yes, the SCC will continue to have full responsibility for operating and joint responsibility for maintaining the Medical Clinic. A CRD-SCC agreement would specify the terms and conditions of the contribution service.

**12. Describe how the service would be able to respond to the changing needs of a growing community.**

The contribution service maximum requisition will be adjusted, as required, to ensure that the terms of the CRD-SCC contribution service agreement can be met. It is expected that Saturna taxpayers would vote on the Medical Clinic budget on an annual basis. SCC is open to discussing with the CRD how to conduct the annual budget meeting in a manner acceptable to the CRD. Quarterly meetings of the SCC, which are open to all residents, will provide a mechanism for SCC reporting out on Medical Clinic issues and tax funds expenditure and for feedback from and discussions with community members. Although only members in good standing may vote at SCC meetings, there is effectively no barrier to membership as annual dues are fixed at 50 cents.

**13. By when is the service required?**

The service needs to be established in time for its inclusion in the 2019 requisition - assuming it receives elector assent. To help minimize the referendum cost, it is intended that the vote be held concurrently with the autumn 2018 Civic Election.

**14. Who is the primary contact for this service request?**

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**Schedule A: Budget Forecast 2019 - 2026**

**Schedule B: Saturna Community Club Board of Directors (2017/18)**

### Saturna Medical Clinic Operations 10 Year Budget Forecast

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	Annual Cost	Annual Cost	Annual Cost	Annual Cost	Annual Cost	Annual Cost	Annual Cost	Annual Cost	Annual Cost	Annual Cost
<b>Labour Operations Costs</b>										
Health Services Director	\$ -	\$ -	\$ -	\$ -	\$ 5,814	\$ 5,930	\$ 6,049	\$ 6,170	\$ 6,293	\$ 6,419
MOA Doctor	\$ 6,677	\$ 6,810	\$ 6,947	\$ 7,085	\$ 7,227	\$ 7,372	\$ 7,519	\$ 7,670	\$ 7,823	\$ 7,979
MOA Nurse Practitioner	\$ 6,677	\$ 6,810	\$ 6,947	\$ 7,085	\$ 7,227	\$ 7,372	\$ 7,519	\$ 7,670	\$ 7,823	\$ 7,979
IHA Supply Technician	\$ 1,113	\$ 1,135	\$ 1,158	\$ 1,181	\$ 1,205	\$ 1,229	\$ 1,253	\$ 1,278	\$ 1,304	\$ 1,330
Bookkeeping	\$ -	\$ 1,135	\$ 1,158	\$ 1,181	\$ 1,205	\$ 1,229	\$ 1,253	\$ 1,278	\$ 1,304	\$ 1,330
Clinic & Cupboard Cleaning	\$ 2,448	\$ 2,951	\$ 3,010	\$ 3,070	\$ 3,132	\$ 3,194	\$ 3,258	\$ 3,323	\$ 3,390	\$ 3,458
Training & Education	\$ -	\$ 908	\$ 926	\$ 945	\$ 964	\$ 983	\$ 1,003	\$ 1,023	\$ 1,043	\$ 1,064
<b>Total Labour Cost</b>	<b>\$ 16,915</b>	<b>\$ 19,750</b>	<b>\$ 20,145</b>	<b>\$ 20,548</b>	<b>\$ 26,773</b>	<b>\$ 27,308</b>	<b>\$ 27,854</b>	<b>\$ 28,412</b>	<b>\$ 28,980</b>	<b>\$ 29,559</b>
<b>Physical Operating Costs</b>										
Lease (SRC/SCC MOU)	\$ 5,250	\$ 5,355	\$ 5,462	\$ 5,571	\$ 5,683	\$ 5,796	\$ 5,912	\$ 6,031	\$ 6,151	\$ 6,274
Utilities	\$ 1,500	\$ 1,530	\$ 1,561	\$ 1,592	\$ 1,624	\$ 1,656	\$ 1,689	\$ 1,723	\$ 1,757	\$ 1,793
Insurance	\$ 1,200	\$ 1,224	\$ 1,248	\$ 1,273	\$ 1,299	\$ 1,325	\$ 1,351	\$ 1,378	\$ 1,406	\$ 1,434
Office Misc Expense	\$ 500	\$ 510	\$ 520	\$ 531	\$ 541	\$ 552	\$ 563	\$ 574	\$ 586	\$ 598
Equipment (replacement)	\$ 560	\$ 571	\$ 583	\$ 594	\$ 606	\$ 618	\$ 631	\$ 643	\$ 656	\$ 669
Furniture (Replacement)	\$ -	\$ 200	\$ 204	\$ 208	\$ 212	\$ 216	\$ 221	\$ 225	\$ 230	\$ 234
Phone	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,061	\$ 1,082	\$ 1,104	\$ 1,126	\$ 1,149	\$ 1,172	\$ 1,195
Contingency	\$ -	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,061	\$ 1,082	\$ 1,104	\$ 1,126	\$ 1,149	\$ 1,172
<i>One-Time Referendum Cost</i>	\$ -	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Operations Cost</b>	<b>\$ 10,010</b>	<b>\$ 11,410</b>	<b>\$ 11,638</b>	<b>\$ 19,871</b>	<b>\$ 12,109</b>	<b>\$ 12,351</b>	<b>\$ 12,598</b>	<b>\$ 12,850</b>	<b>\$ 13,107</b>	<b>\$ 13,369</b>
<b>Total Clinic Costs</b>	<b>\$ 26,925</b>	<b>\$ 31,160</b>	<b>\$ 31,783</b>	<b>\$ 40,419</b>	<b>\$ 38,881</b>	<b>\$ 39,659</b>	<b>\$ 40,452</b>	<b>\$ 41,261</b>	<b>\$ 42,087</b>	<b>\$ 42,928</b>
<b>Clinic Revenue</b>										
Island Health	\$ 10,034	\$ 10,234	\$ 10,439	\$ 10,648	\$ 10,861	\$ 11,078	\$ 11,300	\$ 11,526	\$ 11,756	\$ 11,991
Recycle/Free Store Garage Sale	\$ 3,000	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Clinic Rental	\$ 700	\$ 714	\$ 728	\$ 743	\$ 758	\$ 773	\$ 788	\$ 804	\$ 820	\$ 837
Clinic Patient fees	\$ 828	\$ 845	\$ 862	\$ 879	\$ 896	\$ 914	\$ 933	\$ 951	\$ 970	\$ 990
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All non-SCC Revenue	\$ 14,562	\$ 14,293	\$ 12,029	\$ 12,270	\$ 12,515	\$ 12,765	\$ 13,021	\$ 13,281	\$ 13,547	\$ 13,818
<b>SCC or Property Tax Revenue</b>	<b>\$ 12,363</b>	<b>\$ 16,867</b>	<b>\$ 19,754</b>	<b>\$ 28,149</b>	<b>\$ 26,366</b>	<b>\$ 26,894</b>	<b>\$ 27,432</b>	<b>\$ 27,980</b>	<b>\$ 28,540</b>	<b>\$ 29,111</b>

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