

Thursday, November 21, 2024, 9:00 a.m.

Board Room  
155 George Street  
Prince George, BC

Pages

1. Call to Order

We respectfully acknowledge the unceded ancestral lands of the Lheidli T'enneh, on whose land we live, work and play.

\*2. Adoption of Agenda (Additions/Deletions)

Recommendation:

*THAT the agenda for the November 21, 2024 Regional Hospital District Board Meeting be amended with the addition of Item No. 5.2 Additional Presentation (Northern Health Funding Contribution Options), and that the agenda be adopted as amended.*

3. Adoption of Minutes

3.1 October 17, 2024 Regional Hospital District Board Meeting Minutes

3

Recommendation:

*THAT the Minutes of the Regional Hospital District Board meeting held on October 17, 2024 be adopted as circulated.*

4. Chairperson's Report

5. Reports

5.1 General Disbursement Schedules for July to September 2024

11

Purpose: For Information

Attachments: General Disbursement Schedule: July to September 2024

Previous Reports: None

Recommendation:

*THAT the report dated November 8, 2024 regarding "General Disbursement Schedules for July to September 2024" be received for information.*

\*5.2 Northern Health Funding Contribution Options

13

Purpose: For Information

Attachments: PowerPoint Presentation (to be provided as an Additional Item)

Previous Reports: None

**Recommendation:**

*THAT the report and presentation dated November 8, 2024 regarding “Northern Health Funding Contribution Options” be received for information.*

6. **Correspondence**
7. **New Business**
8. **Adjournment**

MINUTES OF THE MEETING OF THE FRASER-FORT GEORGE REGIONAL HOSPITAL DISTRICT BOARD HELD ON THURSDAY, OCTOBER 17, 2024 IN THE BOARDROOM, 155 GEORGE STREET, PRINCE GEORGE, BC.

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Directors Present:            Director J. Atkinson, Chairperson  
                                 Director D. Alan  
                                 Director K. Dunphy  
                                 Director B. Empey  
                                 Director A. Kaehn  
                                 Director J. Kirk  
                                 Director V. Mobley  
                                 Director C. Ramsay  
                                 Director G. Runtz (remote)  
                                 Director K. Sampson  
                                 Director B. Skakun  
                                 Director O. Torgerson  
                                 Director S. Yu

Directors Absent:            Director L. Beckett

Staff Present:                C. Calder, Chief Administrative Officer  
                                 M. Connelly, General Manager of Legislative and Corporate Services  
                                 J. Gloger, Manager of Legislative Services  
                                 K. Jonkman, General Manager of Community and Development Services  
                                 S. White, General Manager of Financial Services  
                                 L. Zapotichny, General Manager of Environmental Services

Minutes Recorded and Produced by:            B. Bowes, Clerk Typist III/Reception

Media:                            There were no media in attendance.

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**1.     Call to Order**

The Chairperson called the meeting to order at 10:05 a.m.

The Regional District acknowledged the unceded ancestral lands of the Lheidli T'enneh, on whose land we live, work and play.

The Chairperson proceeded to do a roll call of Directors to confirm those attending remotely and those attending in person in the Boardroom.

**2.     Adoption of Agenda (Additions/Deletions)**

Moved by Torgerson  
Seconded by Ramsay

*THAT the agenda for the October 17, 2024 Regional Hospital District Board Meeting be adopted as circulated.*

*CARRIED*

**3. Adoption of Minutes**

**3.1 September 12, 2024 Regional Hospital District Board Meeting Minutes**

Moved by Sampson  
Seconded by Skakun

*THAT the Minutes of the Regional Hospital District Board meeting held on September 12, 2024 be adopted as circulated.*

CARRIED

**4. Chairperson's Report**

The Chairperson advised that on October 1, 2024 themselves, the Acting Chair, and C. Calder, Chief Administrative Officer, were notified by Premier Eby that the addition of a helipad will be added to the construction of the Acute Care Tower at the University Hospital of Northern BC.

The Chairperson also advised that themselves, the Acting Chair, and S. White, General Manager of Financial Services, attended the Regional Hospital District Joint Fall Meeting on October 7, 2024.

**5. Reports**

**5.1 General Disbursement Schedules for April to June 2024**

A report was presented regarding General Disbursement Schedules for April to June 2024.

Discussion commenced.

Moved by Kaehn  
Seconded by Kirk

*THAT the report dated October 7, 2024 regarding "General Disbursement Schedules for April to June 2024" be received for information.*

CARRIED

**5.2 2024 Year to Date Capital Spending Report**

A report was presented regarding the 2024 Year to Date Capital Spending Report.

S. White, General Manager of Financial Services, provided a brief overview of the report and responded to a query from a Director regarding the expenditures of previous years.

Discussion commenced regarding *Hospital District Act* requirements for contributions by Regional Hospital Districts, opportunity for implementing contribution limits, history of past contributions to capital projects and the potential of engaging a third party for advice on prioritizing projects and understanding the value of each project in the hospital environment.

C. Calder, Chief Administrative Officer, responded to queries from Directors regarding potential impacts should projects not proceed due to insufficient funding and noted that the capital planning process undertaken by Northern Health is overseen and funded by the Ministry of Health.

Moved by Mobley  
Seconded by Dunphy

*THAT the report dated October 7, 2024 regarding "2024 Year to Date Capital Spending Report" be received for information.*

CARRIED

### 5.3 Temporary Borrowing Resolution for 2025

A report was presented regarding Temporary Borrowing Resolution for 2025.

C. Calder, Chief Administrative Officer, responded to queries from Directors regarding the voting entitlement for the subject temporary borrowing resolution, utilization of temporary borrowing, the cost of the borrowing at commercial interest rates versus Municipal Finance Authority (MFA) rates, and the process of borrowing from the MFA.

S. White, General Manager of Financial Services noted that the Regional District has not utilized temporary borrowing in recent history due to close management of cash flows and holding reserve balances to fund the Acute Care Tower project.

Moved by Skakun  
Seconded by Empey

*THAT the report dated October 7, 2024 regarding "Temporary Borrowing Resolution for 2025" be received for information.*

CARRIED

Director Ramsay left the Boardroom at 10:38 a.m. and returned at 10:41 a.m.

Moved by Yu  
Seconded by Alan

*THAT the following resolution be adopted:*

*WHEREAS pursuant to Section 31 of the Hospital District Act, the Board may by resolution borrow for purposes other than capital expenditures, by way of temporary loan, such sums as the Board may deem necessary to meet current operating expenditures for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Board;*

*AND WHEREAS pursuant to Section 25(6) of the Hospital District Act, member municipalities and the Province are not required to make payment from taxation revenues of amounts requisitioned by a Regional Hospital District until August 1 of each year;*

*AND WHEREAS estimated operating expenditures to a maximum amount of \$750,000 must be paid before payment of such revenues is due;*

*NOW THEREFORE LET IT BE RESOLVED that the Board of the Fraser-Fort George Regional Hospital District borrow pursuant to Section 31 of the Hospital District Act a sum not exceeding \$750,000 for the purpose of paying the above-mentioned operating expenditures and further that the borrowing may include the use of a bank overdraft.*

CARRIED

### 5.4 Minor Capital and Building Integrity Grants

A report was presented regarding Minor Capital and Building Integrity Grants.

Discussion ensued regarding placing a maximum or cap on funds for non-capital items and how to manage future budgets to limit the RHD's funding contributions.

Moved by Mobley  
Seconded by Dunphy

*THAT the report dated October 7, 2024 regarding "Minor Capital and Building Integrity Grants" be received for information.*

CARRIED

Moved by Torgerson  
Seconded by Alan

*THAT the release of the 2024 Minor Capital Grant of \$1,100,000 to the Northern Health Authority be approved.*

CARRIED

Moved by Kaehn  
Seconded by Kirk

*THAT the release of the 2024 Building Integrity Grant of \$100,000 to the Northern Health Authority be approved.*

CARRIED

**5.5 Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 349, 2024 – Prince George Surgery Centre Equipment**

A report was presented regarding the Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 349, 2024 – Prince George Surgery Centre Equipment.

C. Calder, Chief Administrative Officer, responded to a query from a Director regarding Northern Health acquisition of private clinics and the provision in the Memorandum of Understanding regarding future disposal of equipment.

Moved by Empey  
Seconded by Skakun

*THAT the report dated October 7, 2024 regarding “Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 349, 2024 – Prince George Surgery Centre Equipment” be received for information.*

CARRIED

Moved by Sampson  
Seconded by Kirk

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 349, 2024 be now introduced and given first, second and third readings.*

CARRIED

Moved by Yu  
Seconded by Alan

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 349, 2024 be adopted.*

CARRIED

**5.6 Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 350, 2024 – UHNBC Ultrasound N0034106 Replacement**

A report was presented regarding the Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 350, 2024 – UHNBC Ultrasound N0034106 Replacement.

Moved by Torgerson  
Seconded by Ramsay

*THAT the report dated October 7, 2024 regarding “Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 350, 2024 – UHNBC Ultrasound N0034106 Replacement” be received for information.*

CARRIED

Moved by Dunphy  
Seconded by Mobley

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 350, 2024 be now introduced and given first, second and third readings.*

CARRIED

Moved by Kaehn  
Seconded by Kirk

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 350, 2024 be adopted.*

CARRIED

Director Sampson left the Boardroom at 10:47 a.m. and returned at 10:48 a.m.

**5.7 Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 351, 2024 – UHNBC Ultrasound N0034409 Replacement**

A report was presented regarding the Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 351, 2024 – UHNBC Ultrasound N0034409 Replacement.

Moved by Empey  
Seconded by Skakun

*THAT the report dated October 7, 2024 regarding “Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 351, 2024 – UHNBC Ultrasound N0034409 Replacement” be received for information.*

CARRIED

Moved by Sampson  
Seconded by Skakun

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 351, 2024 be now introduced and given first, second and third readings.*

CARRIED

Moved by Yu  
Seconded by Alan

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 351, 2024 be adopted.*

CARRIED

**5.8 Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 353, 2024 – Data Storage Device Replacement FFGRHD**

A report was presented regarding the Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 353, 2024 – Data Storage Device Replacement FFGRHD.

Discussion ensued regarding the expectations of funding from the Regional Hospital District and requests from Northern Health regarding items that are not considered capital in nature.

Moved by Torgerson  
Seconded by Ramsay

*THAT the report dated October 7, 2024 regarding “Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 353, 2024 – Data Storage Device Replacement FFGRHD” be received for information.*

CARRIED

Moved by Mobley  
Seconded by Dunphy

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 353, 2024 be now introduced and given first, second and third readings.*

*DEFEATED*

*Directors Mobley, Sampson, Skakun, and Yu - Opposed*

**5.9 Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 354, 2024 – Mackenzie and District Hospital Primary Care Clinic Renovations**

A report was presented regarding the Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 354, 2024 – Mackenzie and District Hospital Primary Care Clinic Renovations.

Moved by Dunphy  
Seconded by Mobley

*THAT the report dated October 7, 2024 regarding “Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 354, 2024 – Mackenzie and District Hospital Primary Care Clinic Renovations” be received for information.*

*CARRIED*

Moved by Ramsay  
Seconded by Torgerson

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 354, 2024 be now introduced and given first, second and third readings.*

*CARRIED*

Moved by Ramsay  
Seconded by Alan

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 354, 2024 be adopted.*

*CARRIED*

**5.10 Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 355, 2024 – UHNBC DI D670 SPECT Upgrade**

A report was presented regarding the Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 355, 2024 – UHNBC DI D670 SPECT Upgrade.

Discussion ensued amongst Directors regarding a lack of information from Northern Health on funding requests, the need for a structural review of the funding model, and concerns should the contribution percentage for this project be decreased.

C. Calder, Chief Administrative Officer, and S. White, General Manager of Financial Services, responded to queries from Directors regarding the transfer of medical equipment between hospitals in the Northern Health region and the possible actions from Northern Health in response to a decrease in the RHD’s contribution percentage for a capital expenditure request.

Moved by Yu  
Seconded by Alan

*THAT the report dated October 7, 2024 regarding “Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 355, 2024 – UHNBC DI D670 SPECT Upgrade” be received for information.*

*CARRIED*



Moved by Kaehn  
Seconded by Kirk

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 355, 2024 be now introduced and read for a first time.*

CARRIED

*Directors Mobley, Sampson, and Skakun - Opposed*

Moved by Torgerson  
Seconded by Ramsay

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 355, 2024 be given second reading.*

CARRIED

*Directors Mobley, Sampson, and Skakun - Opposed*

Moved by Skakun  
Seconded by Mobley

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 355, 2024 be amended by striking 40% from the Schedule "A" under "Total RHD Share of Project Costs (2024)" and replacing it with 20% and amending the dollar amount under "Total RHD Share of Project Costs (2024)" and "RHD 2024 Request Bylaw No. 355" from \$122,800 to \$61,400.*

DEFEATED

Moved by Yu  
Seconded by Alan

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 355, 2024 be given third reading.*

CARRIED

*Directors Mobley, Sampson, and Skakun - Opposed*

Moved by Ramsay  
Seconded by Dunphy

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 355, 2024 be adopted.*

CARRIED

*Director Mobley – Opposed*

**5.11 Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 356, 2024 – UHNBC Fire Alarm System Replacement**

A report was presented regarding the Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 356, 2024 – UHNBC Fire Alarm System Replacement.

C. Calder, Chief Administrative Officer, responded to a query from a Director regarding the connectivity of the new Fire Alarm System with the system in the future Acute Care Tower.

Moved by Kaehn  
Seconded by Kirk

*THAT the report dated October 7, 2024 regarding "Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 356, 2024 – UHNBC Fire Alarm System Replacement" be received for information.*

CARRIED

Moved by Yu  
Seconded by Alan

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 356, 2024 be now introduced and given first, second and third reading.*

**CARRIED**  
*Director Skakun – Opposed*

Moved by Empey  
Seconded by Kaehn

*THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 356, 2024 be adopted.*

**CARRIED**  
*Director Skakun – Opposed*

**6. New Business**

**Future Considerations**

Discussion ensued regarding giving Northern Health clear direction on the Regional Hospital District's expectations for requests, working with the Union of BC Municipalities and other Regional Hospital Districts on advocacy for an overhaul of the *Hospital District Act* and provide as a suggested topic at the 2025 Electoral Area Directors Forum and 2025 North Central Local Government Association Convention.

Moved by Sampson  
Seconded by Skakun

*THAT the Board directs Administration to return a report at a future Regional Hospital District Board meeting regarding the 2025 Budget that provides options for the Board to reduce the total major project and major equipment expenditure and contribution levels, so as to balance the mega contribution the Board has made to the new Patient Care Tower, while still meeting the mandate that the Regional Hospital District Board sets out.*

**CARRIED**  
*Directors Kaehn, Dunphy, Empey – Opposed*

Moved by Sampson  
Seconded by Skakun

*THAT the Board directs the Chair, Acting Chair and Administration to prepare an advocacy plan for the review and modernization of the Hospital District Act.*

**CARRIED**

**7. Adjournment**

Moved by Torgerson  
Seconded by Ramsay

*THAT the meeting be adjourned - 11:55 a.m.*

**CARRIED**

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Chair

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General Manager of Legislative and  
Corporate Services



**Fraser-Fort George  
REGIONAL HOSPITAL  
DISTRICT**

Main Office: 155 George Street, Prince George, BC V2L 1P8  
Telephone: (250) 960-4400 / Fax: (250) 563-7520  
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**REPORT FOR CONSIDERATION**

TO: Chair and Directors  
FROM: Sarah White, General Manager of Financial Services  
DATE: November 8, 2024  
SUBJECT: General Disbursement Schedules for July to September 2024  
SUMMARY: Purpose: For Information

Attachments: General Disbursement Schedule: July to September 2024  
Previous Reports: None

**RECOMMENDATION(S):**

THAT the report dated November 8, 2024 regarding “General Disbursement Schedules for July to September 2024” be received for information.

ENTITLEMENT	HOW VOTE COUNTED
All 1 Director/1 vote	Majority

**ISSUE(S):**

Disbursement details are provided periodically to the Board for information purposes.

The Board is not being asked to take any action.

**COMMENTS:**

Attached is the Fraser-Fort George Regional Hospital District’s General Disbursement Schedule for the months of July to September 2024 summarized as follows:

MONTH	GENERAL ACCOUNT
July	\$ 1,352,602.41
August	-
September	1,727,621.15
Total	\$ 3,080,223.56

Respectfully submitted,

**“Sarah White”**

Sarah White  
General Manager of Financial Services

SW:bl

FRASER-FORT GEORGE REGIONAL HOSPITAL DISTRICT  
DISBURSEMENT SCHEDULE  
GENERAL ACCOUNT  
JULY TO SEPTEMBER 2024

CHEQUE #	PAYEE	AMOUNT	DESCRIPTION
<u>July</u>			
EFT 00061-0001	Northern Health Authority	\$ 67,351.56	Claim #3 - Bylaw #283 / 348 - Sterile Compounding Room Upgrade
EFT 00061-0001	Northern Health Authority	\$ 161,568.40	Claim #1 - Bylaw #346 - Uhn Server Refresh
EFT 00061-0001	Northern Health Authority	\$ 816,882.45	Claim #3 - Bylaw #344 - Acute Tower Early Works
EFT 00061-0002	Regional District of Fraser-Fort George	\$ 306,800.00	2024 Admin Overhead As Per Budget
		\$ 1,352,602.41	
<u>August</u>			
		\$ -	
<u>September</u>			
EFT 00062-0001	Northern Health Authority	\$ 111,567.43	Claim #10 - Bylaw #315 - Cardiac Services Dept Upgrade
EFT 00062-0001	Northern Health Authority	\$ 762,007.51	Claim #5 - Bylaw #344 - Acute Tower Early Works
EFT 00062-0001	Northern Health Authority	\$ 15,569.76	Claim #4 - Bylaw #334 - Nursing Station Renovation
EFT 00062-0001	Northern Health Authority	\$ 769,090.80	Claim #4 - Bylaw #344 - Acute Tower Early Works
EFT 00062-0001	Northern Health Authority	\$ 69,385.65	Claim #2 - Bylaw #346 - Uhn Server
		\$ 1,727,621.15	
	Quarter Total	\$ 3,080,223.56	



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**REPORT FOR CONSIDERATION**

TO: Chair and Directors

FROM: Sarah White, General Manager of Financial Services

DATE: November 8, 2024

SUBJECT: Northern Health Funding Contribution Options

SUMMARY: Purpose: For Information

File No.: H-NOR 3.0

Attachments: PowerPoint Presentation (to be provided as an Additional Item)  
Previous Reports: None

**RECOMMENDATION(S):**

THAT the report and presentation dated November 8, 2024 regarding “Northern Health Funding Contribution Options” be received for information.

ENTITLEMENT	HOW VOTE COUNTED
All 1 Director/1 vote	Majority

**ISSUE(S):**

During the Fraser-Fort George Regional Hospital District (“RHD”) meeting in October 2024, the Board requested Administration to provide a report on the 2025 Budget and provide options for the Board to reduce the total major project and major equipment expenditure and contribution levels, so as to balance the mega contribution the Board has made to the new Patient Care Tower, while still meeting the mandate that the Regional Hospital District Board sets out.

Administration has prepared this report and will provide a presentation that outlines funding contribution options for consideration and allow for an opportunity for Directors to provide feedback on the proposed 2025-2029 budget approach.

**RELEVANT POLICIES:**

1. *Hospital District Act*, Section 23(1)
  - the Board must prepare and adopt, before a prescribed date in each year, a provisional budget for the following calendar year.
2. *Hospital District Act*, Section 23(5)
  - on or before March 31st in each year the Board must adopt, by bylaw, the annual budget of the Board.
3. *Hospital District Act*, Section 32(1) and (2)
  - provides requirement for Hospital District boards to enact capital bylaws to permit the borrowing or spending of money to meet capital expenditures.
4. FFGRHD Long-Term Financial Plan 2024 – 2038
  - provides an overview of the future financial impacts that the NHA funding requests will have on the FFGRHD budget and determines a long-term plan for requisition and reserves to meet these funding requests

**FINANCIAL CONSIDERATION(S):**

Each year, the Northern Health Authority (“NHA”) provides the Fraser-Fort George Regional Hospital District (“RHD”) with a Draft Capital Plan for major projects and equipment proposed for health care facilities within the region.

The Draft Capital Plan provides the RHD an opportunity to consider the NHA's future capital funding needs in preparation for its own budget planning. The NHA's capital funding is typically provided by the Province of British Columbia and any capital plan projects are contingent on Provincial contributions and approval by NHA's Board.

The RHD typically cost shares at the 40% level for major equipment and capital projects over \$100,000 and also provides an annual building integrity grant and minor equipment grant for equipment and projects costing under \$100,000. Cost sharing for information technology or NHA region wide projects are usually subject to a lower contribution request from the RHD.

The FFGRHD received a preliminary funding request from Northern Health on November 4, 2024 outlining projects and anticipated funding for 2025, 2026, 2027 and future years. This list of projects and equipment is subject to change pending NH Board review.

The 2025 proposed RHD funding request includes the following breakdown by type of funding:

<b>Funding Type</b>	<b>2024 Approved Amount</b>	<b>2025 Amount</b>	<b>2026 Amount</b>	<b>2027 Amount</b>	<b>Future Years Amount</b>
Building Integrity	\$100,000	\$100,000	\$100,000	\$100,000	ongoing
Minor Equipment (< \$100,000)	\$1,100,000	\$1,120,400	\$1,142,808	\$1,165,664	ongoing
Major Projects – Continuation of Prior Year Projects	\$7,189,600	\$6,615,600	\$1,092,400	\$0	\$0
Major Projects – New	\$1,667,897	\$2,527,600	\$6,705,040	\$13,399,200	\$35,607,360
Information Technology	\$391,613	\$206,424	\$201,622	\$220,543	\$350,189
Major Equipment	\$1,571,200	\$3,271,600	\$3,394,160	\$3,237,238	\$2,567,000
<b>Total RHD Funding Request</b>	<b>\$12,020,310</b>	<b>\$13,841,624</b>	<b>\$12,636,030</b>	<b>\$18,122,645</b>	<b>\$38,524,549</b>

This total RHD funding request will shape the RHD's 2025 Annual Budget, along with any outstanding commitments that the RHD has approved to fund NHA for remaining amounts on capital bylaws in place up to December 31, 2024.

These commitments include unspent amounts related to Capital Expenditure Bylaw No. 344, 2023 for the UHNBC Acute Care Tower Early Works and Bylaw No. 352, 2024 for the UHNBC Acute Care Tower Construction as well as other project commitments with approved Bylaws which totaled \$10,920,275 as of October 31, 2024.

<b>NHA Commitments:</b>	<b>2024 Remaining Amount</b>	<b>2025 Amount</b>	<b>2026 Amount</b>	<b>2027 Amount</b>	<b>Future Years Amount</b>
Project Commitments as of October 31, 2024	\$0	\$10,920,275	\$0	\$0	\$0
UHNBC Early Works	\$271,510	\$20,000,000	\$16,888,000	\$0	\$0
UHNBC Acute Care Tower	\$0	\$0	\$0	\$0	\$318,712,000
<b>Total RHD Commitments as of October 31, 2024</b>	<b>\$4,400,000</b>	<b>\$30,920,275</b>	<b>\$16,888,000</b>	<b>\$0</b>	<b>\$318,712,000</b>

## **OTHER CONSIDERATION(S):**

The Fraser-Fort George Regional Hospital District ("RHD") has had a Memorandum of Understanding ("MOU") in place with Northern Health since 2003. The MOU was updated in October 2023 and has been signed for a two-year term ending October 2025. The MOU outlines the following responsibilities:

- NH is responsible for all health care services within the Northern British Columbia region comprising of Northwest, Northeast and Northern Interior Health Service Delivery Areas, and
- The RHDs are responsible, on a voluntary basis, for providing funding based on a cost-shared formula to NH for capital, including equipment and clinical information technology projects, within their respective service areas in accordance with the *Hospital District Act*.

The 2024 Long-Term Financial Plan utilized anticipated capital grants based on the funding requests received from Northern Health in November 2023. The funding levels determined through the 2025 annual budgeting process will impact the long-term financial plan and potential requisition rates needed to provide funding at anticipated levels. Funding reductions from NH requested amounts may have an impact on healthcare delivery in the region. An updated Long-Term Financial Plan which incorporates updated key assumptions will be presented to the board in late 2025.

The Provisional Budget for 2025-2029 will be presented at the December 2024 meeting for review. A letter from Northern Health which outlines specific projects included for consideration is anticipated to be received and will be presented to the Board in early 2025. The final 2025 budget bylaw is required to be adopted by the Board prior to the end of March 2025.

### **DECISION OPTIONS:**

1. Approve recommendation to receive the report for information.

#### Other Options:

- a. Provide additional feedback on the options presented which will be utilized in the preparation of the provisional and final budgets.

### **COMMENTS:**

The presentation will cover the following areas:

- Northern Health Memorandum of Understanding
- Northern Health capital planning process
- Capital project types
- Historical FFGRHD capital funding requests
- 2025 and future anticipated capital funding requests
- Funding options for consideration
- Other considerations
- Next steps

With the inclusion of the RHD's contribution to the UHNBC Acute Care Tower project in the long-term financial plans, the RHD is attempting to maintain fiscal sustainability into the future.

Respectfully submitted,

**“Sarah White”**

Sarah White  
General Manager of Financial Services

SW:bl



Fraser-Fort George  
REGIONAL HOSPITAL  
DISTRICT

**ADDITIONAL ITEM**

NOVEMBER 21, 2024

# Northern Health Funding Contribution Level Options

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## AGENDA

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- Northern Health Memorandum of Understanding
- Northern Health (NH) capital planning process
- Capital project types
- Historical NH capital funding requests
- 2025 to 2029 NH capital funding requests
- Funding options
- Next steps
- Questions



## **NORTHERN HEALTH MEMORANDUM OF UNDERSTANDING**

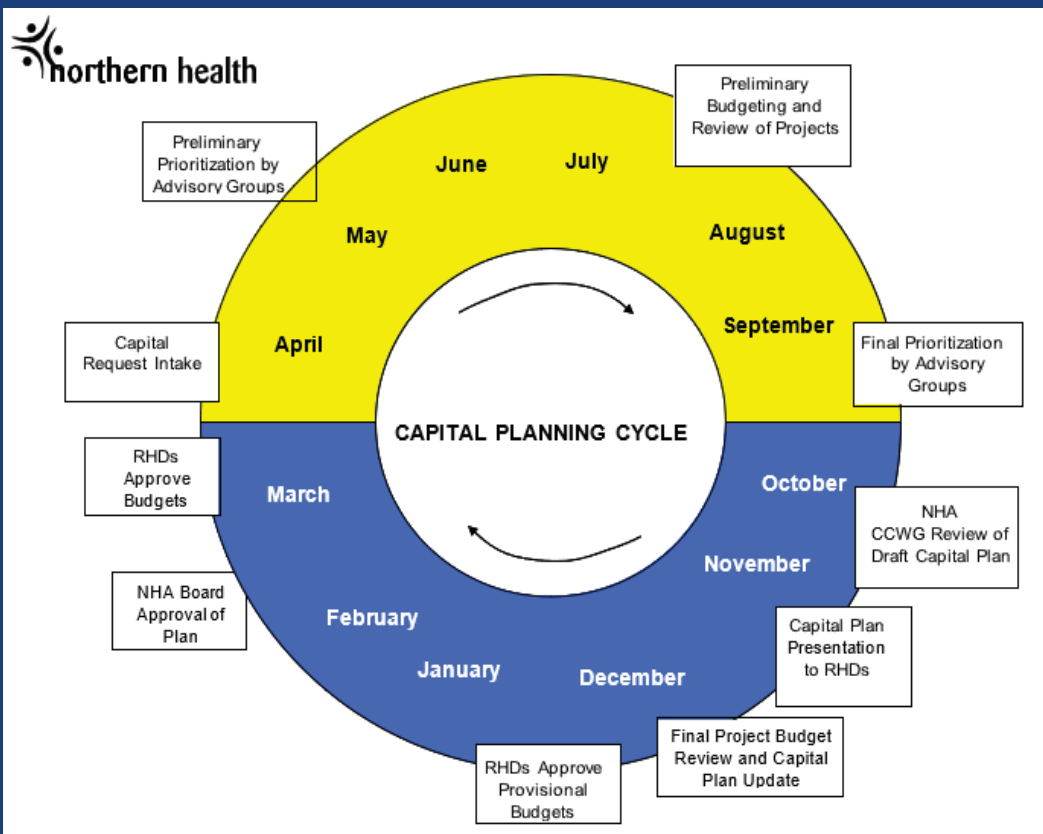
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- MOU between NH and Northern Regional Hospital Districts dated October 2023
- NH is responsible for Capital Projects
- RHDs are responsible to the taxpayer and require accountability regarding Capital Projects from Health Authorities
- NH has the expertise to implement projects
- RHDs reserve the right to decide the amount of funding contribution to projects

## **NORTHERN HEALTH CAPITAL PLANNING PROCESS**

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- NH provides FFGRHD with a Draft Capital Plan
- FFGRHD utilizes this information for budget planning
- FFGRHD typically funds major equipment and capital projects over \$100,000 at 40% of the total cost
- Annual Building Integrity and Minor Equipment annual grants are provided
- NH Region-wide projects including information technology are typically funded at a lower contribution rate based on population

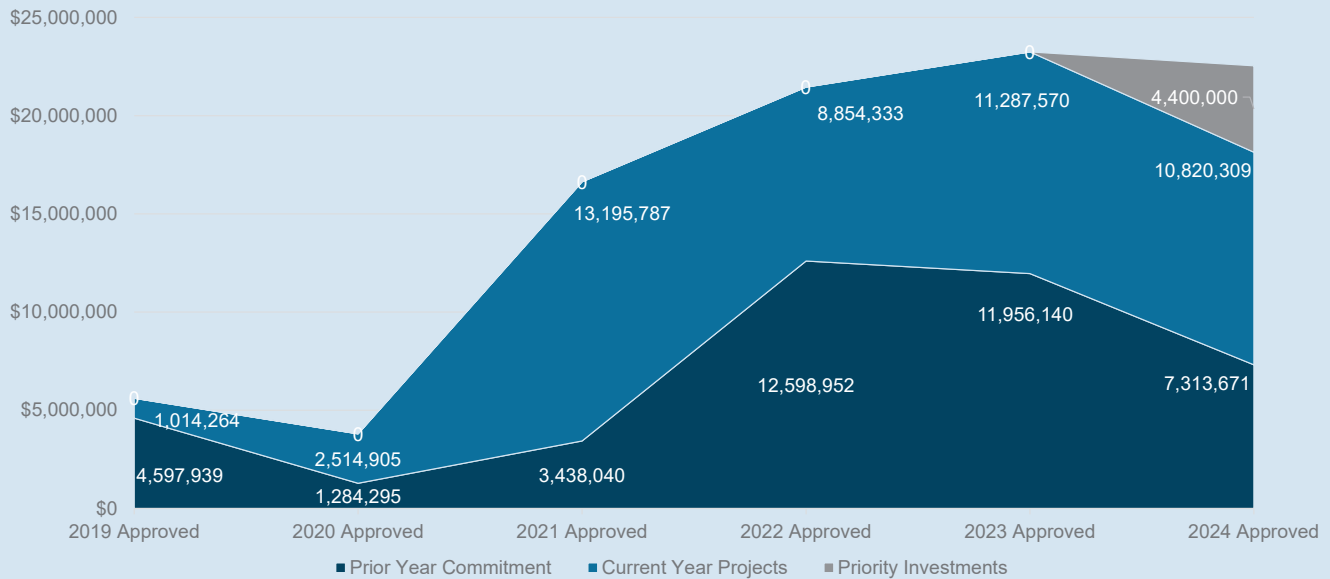


## CAPITAL PROJECT TYPES

- Routine Capital Investments (RCI) – standard equipment replacement, major repairs, refits and upgrades, renovations; cost is over \$100,000
- Priority Investment (PI) – Net new health care facility, net new addition to a facility, net new major diagnostic equipment and net new IM/IT infrastructure
- Non-Restricted Capital Grants (Non-RCG) – projects and equipment under \$100,000

## HISTORICAL NHA FUNDING REQUESTS

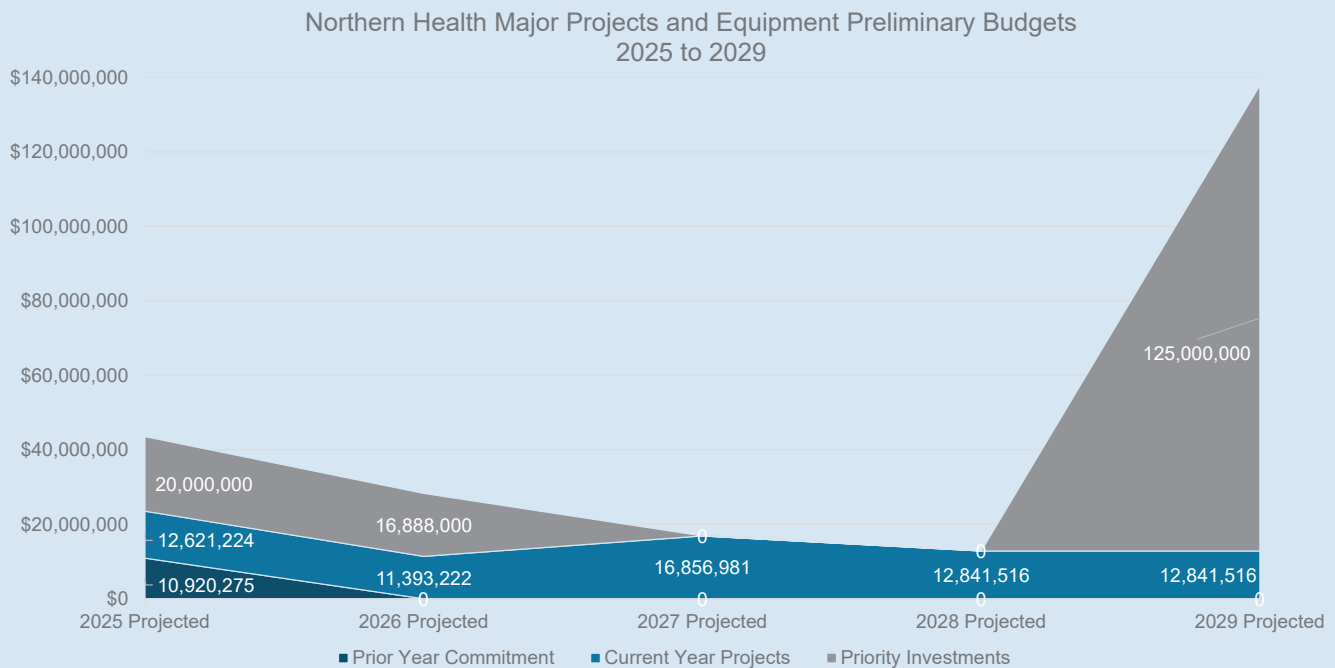
Summary of Northern Health Major Projects and Equipment Budgets 2019 to 2024



## 2025 DRAFT CAPITAL PLAN RDFFG FUNDING REQUESTS

Funding Type	2024 Approved Amount	2025 Amount	2026 Amount	2027 Amount	Future Years Amount
Major Projects – Continuation of Prior Year Projects	\$7,189,600	\$6,615,600	\$1,092,400	\$0	\$0
Major Projects – New	\$1,667,897	\$2,527,600	\$6,705,040	\$13,399,200	\$35,607,360
Information Technology	\$391,613	\$206,424	\$201,622	\$220,543	\$350,189
Major Equipment	\$1,571,200	\$3,271,600	\$3,394,160	\$3,237,238	\$2,567,000
<b>Total Major Project and Equipment Funding Request</b>	<b>\$10,820,310</b>	<b>\$12,621,224</b>	<b>\$11,393,222</b>	<b>\$16,856,981</b>	<b>\$38,524,549</b>
<i>Anticipated Major Project and Equipment Funding Requests per 2024 NHA Request</i>	<b>\$10,820,310</b>	<b>\$10,893,705</b>	<b>\$5,517,640</b>	<b>\$11,720,750</b>	<b>\$35,441,502</b>

## 2025 TO 2029 NH FUNDING REQUESTS



## FUNDING OPTIONS

- Set an annual funding limit
- Define fixed funding for multiple years
- Increase unrestricted grant threshold
- Decrease funding contribution percentage
- Restrict funding by project type / Select priority projects

## SET AN ANNUAL FUNDING LIMIT

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The Board could consider establishing an annual funding limit each year.

### Benefits:

- Predictability of anticipated funding provides greater certainty for the annual budget.
- Ensure annual requisition rates are sufficient to meet budgetary commitments in the short term.
- Funding amount could vary from year to year based on anticipated projects.

### Risks:

- Could result in projects or equipment purchases being delayed or cancelled.
- Project budgets can fluctuate from year to year, so it is difficult to determine which projects will receive funding within the established funding limit.
- Less certainty regarding long-term financial planning.

## DEFINE FIXED FUNDING FOR MULTIPLE YEARS

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The Board could consider establishing fixed multi-year funding amounts. The fixed amounts should be confirmed for multiple years with a suggested minimum of three years.

### Benefits:

- Predictability of anticipated funding provides greater certainty for long-term financial planning.
- Ensure requisition increases are sufficient to meet budgetary commitments.
- Allow defined fixed funding certainty for multiple years with the ability to consider amendments during each budget cycle.

### Risks:

- Could result in projects or equipment purchases being delayed or cancelled.
- Project budgets can fluctuate from year to year, so it is difficult to determine which projects will receive funding within the established limit.
- Less flexible to changing capital needs within a three-year timeframe.



## INCREASE UNRESTRICTED GRANT THRESHOLD

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The Board could consider increasing the non-restricted capital grant threshold which would reduce the need for individual bylaws to be approved. The unrestricted grant amount would be pre-determined through the annual budgeting process.

### Benefits

- Predictability of anticipated funding provides greater certainty for long-term financial planning.
- Reduce the need for individual bylaws to be approved on a project-by-project basis.
- Ensure requisition increases are sufficient to meet budgetary commitments.
- This amount could vary from year to year based on anticipated projects.

### Risks

- Less FFGRHD discretion on project and equipment priorities funded by local taxpayers.
- Less ability to stagger cash flows during the year.
- Legal determination required to ensure that FFGRHD complies with *Hospital District Act* requirements would need to be explored.
- Administration would be challenged to implement for 2025.

## DECREASE FUNDING CONTRIBUTION PERCENTAGE

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The Board could consider decreasing the funding contribution percentage from the typical 40%. Based on the latest funding request for 2025, 2026, 2027 and future years a reduction from 40% to

- 35% - could result in savings of approximately \$9.9M
- 30% - could result in savings of approximately \$19.8M

### Benefits

- More FFGRHD discretion on project and equipment priorities funded by local taxpayers.

### Risks

- Would require Northern Health to identify alternative funding sources for the shortfall on each project.
- Would result in projects or equipment purchases being delayed or cancelled.
- Risk of projects moving to other regions where funding percentage is higher.
- Untested method in relation to compliance with *Hospital District Act*.
- Need to re-assess percentage contribution on an annual or project by project basis.

## RESTRICT FUNDING BY PROJECT TYPE/SELECT PRIORITY PROJECTS

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The Board could consider alternative funding contributions based on specific project types. Capital project types such as information technology, major equipment, renovations could be restricted, or only specific projects from the NH capital project list could be selected for funding.

### Benefits

- More FFGRHD discretion on project and equipment priorities funded by local taxpayers.

### Risks

- Specific projects would need to be approved or denied prior to approval of the annual budget bylaw in March each year.
- Would result in projects or equipment purchases being delayed or cancelled.
- May not support Northern Health capital planning priorities.
- Less certainty on annual funding contribution total as individual capital project costs will vary.

## OTHER CONSIDERATIONS

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- Current commitments
- Funding de-commitments
- Timing of cash flows
- Communication
- Provincial comparability

## SUMMARY OF FUNDING REQUESTS

Fiscal Year	2024 LTFP Contribution Level	2025 NH Funding Request	Difference
2025	\$10,893,705	\$12,621,224	\$1,727,519
2026	\$5,517,640	\$11,393,222	\$5,875,584
2027	\$11,720,750	\$16,856,981	\$5,136,228
2028	\$11,720,750	\$12,841,516	\$1,120,766
2029	\$12,000,000	\$12,841,516	\$841,516
<b>5-Year total Major Project and Equipment Funding</b>	<b>\$51,852,845</b>	<b>\$66,554,459</b>	<b>\$14,701,614</b>

## REQUISITION CONSIDERATIONS

With funding levels remaining at 2024 anticipated levels:

- Utilize latest Long Term Financial Plan Option: 4.90% in 2025 and 2.60% until 2049
- Consider a blended rate: 2.75% until 2049

With funding levels based on NH funding request for 2025 to 2027 and future years:

- 4.90% in 2025 and 3.05% until 2045
- Consider a blended rate of 3.20% until 2045



## SUMMARY LONG-TERM FINANCIAL PLAN OVERVIEW

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Utilizing the annual funding amounts identified in the 2024 Long Term Financial Plan as annual limits in the 5-year provisional budget would:

- Allow for requisition increases within previously approved range (4.90% for 2025 and 2.60% for 2026 to 2029 or a blended rate of 2.75%).
- Result in potential savings of \$14.7M for years 2025 to 2029 compared to the Northern Health funding request received in November 2024.
- Allow fixed funding certainty for multiple years with the ability to consider amendments during each budget cycle.

## NEXT STEPS

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- 2025-2029 provisional budget to December 2024 board meeting
- Funding request letter from NHA to be presented to Board early 2025
- 2025 Budget Bylaw approval March 2025
- Updated Long-Term Financial Plan to Board in late 2025



Fraser-Fort George  
**REGIONAL HOSPITAL  
DISTRICT**

THANK YOU

**Questions?**

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