

Thursday, March 20, 2025, 10:15 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

Recommendation:

THAT the Fraser-Fort George Regional Hospital District Board agenda for March 20, 2025 be adopted as circulated.

3. Adoption of Minutes

3.1 February 20, 2025 Regional Hospital District Board Meeting Minutes

3

Recommendation:

THAT the Minutes of the Regional Hospital District Board meeting held on February 20, 2025 be adopted as circulated.

4. Chairperson's Report

5. Reports

5.1 Proposed 2025 Annual Operating Budget Bylaw No. 360, 2025

7

Purpose: Consider Adopting Bylaw

Attachments:

Proposed 2025 Annual Operating Budget Bylaw No. 360, 2025

Recommendation:

1. THAT the report dated March 7, 2025 regarding "Proposed 2025 Annual Operating Budget Bylaw No. 360, 2025" be received for information.

Recommendation:

2. THAT "Fraser-Fort George Regional Hospital District 2025 Annual Operating Budget Bylaw No. 360, 2025" be now introduced and read a first time.

Recommendation:

3. THAT the rules be suspended and "Fraser-Fort George Regional Hospital District 2024 Annual Operating Budget Bylaw No. 360, 2025" be given second and third readings.

Recommendation:

4. THAT "Fraser-Fort George Regional Hospital District 2025 Annual Operating Budget Bylaw No. 360, 2025" be adopted.

6. Correspondence

- 6.1 Letter dated January 31, 2025, from the Regional Hospital Districts in the Northern Health Region to the Minister of Health and the Minister of Infrastructure regarding a Meeting Invitation to Discuss Funding Challenges.

14

7. New Business

8. Adjournment

MINUTES OF THE MEETING OF THE FRASER-FORT GEORGE REGIONAL HOSPITAL DISTRICT BOARD HELD ON THURSDAY, FEBRUARY 20, 2025 IN THE BOARDROOM, 155 GEORGE STREET, PRINCE GEORGE, BC.

Directors Present: Director J. Atkinson, Chairperson
Director D. Alan
Director L. Beckett
Director K. Dunphy (remote)
Director B. Empey
Director A. Kaehn (remote)
Director V. Mobley (remote)
Alternate Director T. Klassen (9:02 a.m. – 10:03 a.m.)
Director G. Runtz (9:04 a.m. – 10:43 a.m.)
Director K. Sampson
Alternate Director S. Scott
Director O. Torgerson
Director S. Yu (remote)

Directors Absent: Director J. Kirk

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

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

Media: Colin Slark, Prince George Citizen

1. Call to Order

The General Manager of Legislative and Corporate Services called the meeting to order at 9:02 a.m.

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

The General Manager of Legislative and Corporate Services proceeded to do a roll call of Directors to confirm those attending remotely and those attending in person.

2. Election of Chair and Acting Chair

M. Connelly, General Manager of Legislative and Corporate Services called three times for nominations for the position of Chairperson of the Fraser-Fort George Regional Hospital District Board for 2025.

Director Yu nominated Director Atkinson. Director Atkinson accepted the nomination.

There were no further nominations.

M. Connelly, General Manager of Legislative and Corporate Services declared Director Atkinson elected by acclamation as Chairperson of the Fraser-Fort George Regional Hospital District Board for 2025.

M. Connelly, General Manager of Legislative and Corporate Services called three times for nominations for the position of Acting-Chairperson of the Fraser-Fort George Regional Hospital District Board for 2025.

Director Atkinson nominated Director Sampson. Director Sampson accepted the nomination.

There were no further nominations.

Director Runtz entered the meeting at 9:04 a.m.

M. Connelly, General Manager of Legislative and Corporate Services declared Director Sampson elected by acclamation as Acting-Chairperson of the Fraser-Fort George Regional Hospital District Board for 2025.

Director Atkinson assumed the Chair - 9:05 a.m. and expressed appreciation for the nomination and continued support.

3. Adoption of Agenda

Moved by Torgerson
Seconded by Klassen

THAT the Fraser-Fort George Regional Hospital District Board agenda for February 20, 2025 be amended by adding to Item No. 6.1, a PowerPoint Presentation from Northern Health Authority regarding 2025 Capital Plan, and that the agenda be adopted as amended.

CARRIED

4. Adoption of Minutes

4.1 December 19, 2024 Fraser-Fort George Regional Hospital District Board Meeting Minutes

Moved by Sampson
Seconded by Beckett

THAT the Minutes of the Fraser-Fort George Regional Hospital District Board meeting held on December 19, 2024 be adopted as circulated.

CARRIED

5. Chairperson's Report

Chair Atkinson spoke regarding the role of the Acting Chair on the Fraser-Fort George Regional Hospital District Board and noted that other hospital districts across the province refer to the Acting Chairperson as Vice Chairperson.

Moved by Atkinson
Seconded by Beckett

THAT the Board of the Fraser-Fort George Regional Hospital District refer to the position of "Acting-Chairperson" as "Vice-Chairperson" to align with other Regional Hospital Districts in the province.

CARRIED

6. Reports

6.1 Northern Health - Draft Plan

Michael Hoefer, Executive Director, Capital Planning, Facility Operations and Logistics from the Northern Health Authority, and Sherri Tillotson, Senior Operations Officer, Northern Health Authority, provided a status update on the Acute Care Tower Project at the University Hospital of Northern British Columbia including project scope, schedule, and construction impacts.

M. Hoefer responded to queries from Directors regarding the alliance model, liability, cost overruns, procurement, Fraser-Fort George Regional Hospital District (FFGRHD) involvement in the project steering committee, reporting schedule for updates from Northern Health to the Board, plan for public updates on the Acute Care Tower project, and the parkade construction timeline.

Michael Hoefer and Sherri Tillotson provided a PowerPoint presentation regarding the Northern Health Authority's Capital Plan for 2025 including major projects for 2025-2026, and the 2025 FFGRHD Funding Request.

Alternate Director Klassen left the meeting at 10:03 a.m.

M. Hoefer responded to queries from Directors regarding internal and external audits of the cybersecurity systems, equipment replacement timelines, project priorities, capital challenges, technology changes, system failures, provincial funding commitments for capital projects, additional funding options, project priorities, budget constraints, funding request consistency, grant funding, and lumpsum funding.

C. Calder, Chief Administrative Officer and S. White, General Manager of Financial Services, responded to queries from Directors regarding project funding consistencies, the five-year financial plan, and assessment changes and growth.

Moved by Sampson
Seconded by Beckett

THAT the report and letter dated February 5, 2025 from the Northern Health Authority be received for information.

CARRIED

Moved by Torgerson
Seconded by Runtz

THAT the Northern Health Authority's 2025 Capital Plan be received for information.

CARRIED

6.2 Budget Update – February 2025

C. Calder, Chief Administrative Officer, responded to a query from a Director regarding the Board's authorized funding amount.

Moved by Alan
Seconded by Empey

THAT the report dated February 7, 2025 regarding "Budget Update – February 2025" be received for information.

CARRIED

6.3 Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 357, 2024 – UHNBC Lab Hematology Renovations Phase 2A

Moved by Scott
Seconded by Beckett

THAT the report dated February 7, 2025 regarding "Proposed Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 357, 2024 – UHNBC Lab Haematology Renovations Phase 2A" be received for information.

CARRIED

Moved by Runtz
Seconded by Torgerson

THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 357, 2024 be now introduced and given first, second and third reading.

CARRIED

Moved by Sampson
Seconded by Empey

THAT Fraser-Fort George Regional Hospital District Capital Expenditure Bylaw No. 357, 2024 be adopted.

CARRIED

6.4 General Disbursement Schedules for October to December 2024

S. White, General Manager of Financial Services, responded to a query from a Director regarding the surplus from the 2024 fiscal budget.

Moved by Alan
Seconded by Empey

THAT the report dated February 7, 2025, regarding "General Disbursement Schedules for October to December 2024" be received for information.

CARRIED

7. Adjournment

Moved by Torgerson
Seconded by Runtz

THAT the meeting be adjourned - 10:43 a.m.

CARRIED

Chair

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
Toll Free: 1-800-667-1959 / www.rdffg.ca

REPORT FOR CONSIDERATION

TO: Chair and Directors

FROM: Sarah White, General Manager of Financial Services

DATE: March 7, 2025

SUBJECT: Proposed 2025 Annual Operating Budget Bylaw No. 360, 2025

SUMMARY: Purpose: Consider Adopting Bylaw
Attachments:
Proposed 2025 Annual Operating Budget Bylaw No. 360, 2025

RECOMMENDATION(S):

1. THAT the report dated March 7, 2025 regarding "Proposed 2025 Annual Operating Budget Bylaw No. 360, 2025" be received for information.
2. THAT "Fraser-Fort George Regional Hospital District 2025 Annual Operating Budget Bylaw No. 360, 2025" be now introduced and read a first time.
3. THAT the rules be suspended and "Fraser-Fort George Regional Hospital District 2024 Annual Operating Budget Bylaw No. 360, 2025" be given second and third readings.
4. THAT "Fraser-Fort George Regional Hospital District 2025 Annual Operating Budget Bylaw No. 360, 2025" be adopted.

ENTITLEMENT	HOW VOTE COUNTED
All 1 Director/1 vote	Majority
All Weighted	Majority
All Weighted	Majority
All Weighted	Double Majority

ISSUE(S):

Regional Hospital Districts must adopt an annual budget bylaw by March 31st of each year. At its January 2024 Board meeting, the Fraser-Fort George Regional Hospital District (RHD) Board approved the Fraser-Fort George Regional Hospital District Financial Plan 2024 - 2038. The 2025 Annual Operating Budget being presented was prepared based on the approved fifteen-year financial plan. The Plan is to be reviewed every two years with the next review being in the fall of 2025.

The Board is being asked to consider adoption of the 2025 Annual Operating Budget Bylaw.

RELEVANT POLICIES:

1. *Hospital District Act*
 - on or before March 31st in each year the Board must adopt, by bylaw, the annual budget of the Board.

FINANCIAL CONSIDERATION(S):

The RHD shares the same administrative boundaries as the Regional District of Fraser-Fort George (RDFFG). Property tax requisition is the only significant means of revenue available to regional hospital districts. In 2024, the tax requisition was \$22.3 million dollars which was used for debt servicing costs, administration costs, and direct capital investment in the Northern Health Authority's (NHA) medical equipment acquisition and health care facility infrastructure.

The RHD provides funding to the NHA to assist with the capital investment in health care equipment and facilities. This can include: acquisition of property, renovation, new construction, providing grants for the above mentioned purposes, and applying for and distributing grants provided by the federal government.

Funding commitments can be either direct contributions from a regional hospital district's annual operating budget or it can be by way of borrowing. Typically, the contribution from regional hospital districts is in the order of 40% of the capital expenditure. Unlike local governments, regional hospital districts are permitted to borrow without requiring electors' approval.

As outlined in the Fraser-Fort George Regional Hospital District Financial Plan 2025 - 2039, an increase of 4.90% to the total requisition amount has been included in the 2025 Annual Operating Budget.

DECISION OPTIONS:

1. Approve recommendations.
 - "Fraser-Fort George Regional Hospital District 2025 Annual Operating Budget Bylaw No. 360, 2025" will be adopted.

Other Options:

- a. Postpone consideration of the bylaw if additional information is required:
 - Budget must be adopted by March 31, 2025

COMMENTS:

The 2025 RHD Annual Operating Budget has been developed using a 4.90% increase to the 2024 total requisition amount resulting in a total 2025 tax requisition of \$23,405,530. Based on the 2025 Completed Roll, this is estimated to be a residential uniform tax rate of \$0.7306 per \$1,000 (\$73.06 per \$100,000) of assessed value of the Completed Roll.

Details of the proposed 2025 RHD Operating Budget are noted in the Backgrounder attached to this report.

Respectfully submitted,

"Sarah White"

Sarah White
General Manager of Financial Services

SW:bl

BACKGROUNDER

The following are highlights of the proposed 2025 Annual Operating Budget:

REVENUES:

Tax Requisition **\$ 23,405,530**

This is the amount raised by taxation. The 2025 amount is based on an increase of 4.90% to the total requisition amount as outlined in the 2024 – 2038 Financial Plan and will be approximately \$0.7306 per \$1,000 of assessed value of the 2025 Completed Roll (2024 - \$0.7371).

For 2025, the tax on an average residential home in the Fraser Fort George Regional Hospital District valued at \$417,838 is estimated at \$305.29 (2024 - \$300.05).

Grants in Lieu of Taxes **\$ 40,000**

These are grants in lieu of taxes for Provincial and Federal properties located within the RHD.

Investment Income **\$ 1,800,000**

Represents the investment income estimated to be earned on the RHD's Reserve Funds during 2025 reflecting anticipated reserve levels.

Capital Reserve Fund – Transfer From **\$ 11,520,525**

This represents committed funding for projects that already have an approved capital expenditure bylaw.

Committed funding of \$9,267,458 was placed in the Capital Reserve Fund at the end of the previous year and will be utilized to provide sufficient revenue to fund the expenditures included in the 2025 budget. An additional transfer from reserve is required in 2025 to fund a portion of expenditures related to the UHNBC Acute Care Tower Early Works project.

EXPENDITURES:

Debt **\$ 33,240**

This represents the principal and interest payments to be paid during 2025 for the outstanding long-term debenture debt. The RHD currently has one debenture debt issue outstanding that relates to NHA capital projects funded in previous years. The remaining active loan will mature in 2026.

As of December 31, 2024, the RHD's long term debenture debt balance is \$77,945.

Administration Expenditures **\$ 334,455**

Administration expenditures include an allocation of \$319,072 to be paid to the RDFFG to cover administrative overhead related to staff time, building and boardroom costs, computer support and other RHD related costs paid by the RDFFG.

The balance in this budget line is made up of amounts budgeted for audit and legal services, travel and miscellaneous expenses. This expense is adjusted each year by 4.0% as per the approved 2024 – 2038 Financial Plan.

Directors' Remuneration **\$ 12,530**

Beginning in 2009, as authorized by Bylaw No. 223, an annual indemnity of \$5,000 for the Chair and \$2,500 for the Acting Chair was paid to the Directors in these positions.

These amounts were updated as per Bylaw No. 273, 2019 to \$6,140 for the Chair and \$3,070 for the Acting Chair. As per Bylaw No. 273, this expense is adjusted each year according to the annual change to the average BC Consumer Price Index (CPI) from the previous year.

During 2025, the Board will conduct a review of Director remuneration. The proposed budget reflects an anticipated increase to Director remuneration and mandatory benefits, and accounts for annual CPI increases.

Consulting **\$ 35,000**

The 2025 budget includes \$35,000 to provide professional consulting services to assist with hospital district advocacy work.

Northern Health Authority Funding **\$ 36,350,830**

This budget includes amounts anticipated to be paid to the Northern Health Authority including:

Minor Equipment Grant : \$1,120,400

The RHD provides an annual grant to the NHA for equipment and minor capital projects costing under \$100,000. The grant requested is increasing on an inflationary basis from \$1,100,000 in 2024 to \$1,120,400 for 2025 as requested by NHA.

Building Integrity <\$100,000 : \$100,000

The RHD provides an annual grant to the NHA for building integrity projects under \$100,000. The grant is based on the NHA's funding request, which is \$100,000 for 2025.

Major Projects and Equipment : \$5,862,972

This budget line is utilized for larger capital projects and equipment purchases over \$100,000. These projects are usually cost shared with the NHA on a 60:40 cost share basis, with NHA covering the 60% and the RHD covering the 40%.

During the November 2024 FFGRHD board meeting, a motion was passed that "the Regional Hospital District approves a funding contribution of 21.625% of the total NHA request to FFGRHD for major projects, major equipment and IT funding for the fiscal year 2025 budget" The budget is based on 21.625% of the latest NHA capital plan received in February 2025.

Prior to the disbursement of funds related to any individual project or equipment purchase, it must first be approved by adoption of a RHD capital expenditure bylaw.

Prior Year Commitments: \$9,267,458

This budget line includes \$6,843,858 for projects previously approved by the Board and carried forward as commitments as of December 31, 2024 as well as \$2,423,600 related to multi-year project bylaws approved during 2024 with amounts related to the 2025 fiscal year.

UHNBC Early Works: \$20,000,000

Given the significant commitments to the UHNBC Early Works and Acute Care Tower projects, these bylaw amounts are shown individually in the financial plan. During 2024, \$4,400,000 was

spent related to the UHN Early Works project, with \$20,000,000 anticipated for 2025 and \$16,888,000 anticipated to be spent in 2026.

Due to the UHNBC Early Works project, overall budget has increased from \$23,733,980 in 2024 to \$36,350,830.

Capital Reserve Fund – Transfer To

\$

0

In 1999, a reserve was established to deal with unanticipated urgent requests for funding that may be presented during the year and to save for future major capital projects so that financing options would not have to be used.

This reserve is also used to stabilize the variances in the annual capital funding requests from the NHA.

As of December 31, 2024, there is a balance of approximately \$87.3 million dollars in the capital reserve fund. The funds are invested with the Municipal Finance Authority and interest accrues to the reserve balance each year.



A BYLAW TO ADOPT THE ANNUAL OPERATING BUDGET FOR THE YEAR 2025

1. The 2025 Annual Operating Budget for the Fraser-Fort George Regional Hospital District for the year ended December 31, 2025 shall be as set out in Schedule "A" attached hereto and forming part of this Bylaw.
2. This bylaw may be cited for all purposes as the "Fraser-Fort George Regional Hospital District 2025 Annual Operating Budget Bylaw No. 360, 2025".

ADOPTED THIS DAY OF 2025

General Manager of Legislative and
Corporate Services

Schedule "A" to Bylaw No. 360, 2025
Fraser-Fort George Regional Hospital District
2025 - 2029 Proposed Budget

	2024 Approved	2025 Provisional	Adjustments	2025 Proposed	2026 Projected	2027 Projected	2028 Projected	2029 Projected
REVENUE								
Tax Requisition	22,312,230	23,405,530	-	23,405,530	24,014,075	24,638,440	25,279,040	25,936,295
Grants in Lieu	40,000	40,000	-	40,000	40,000	40,000	40,000	40,000
Investment Income	1,826,310	1,800,000	-	1,800,000	1,800,000	1,600,000	1,800,000	2,000,000
Capital Reserve Fund - Transfer From	7,313,670	11,578,825	(58,300)	11,520,525	4,094,615	-	-	-
Debt Issued	-	-	-	-	-	-	-	125,000,000
Prior Year's Surplus	-	-	-	-	-	-	-	-
TOTAL REVENUE	31,492,210	36,824,355	(58,300)	36,766,055	29,948,690	26,278,440	27,119,040	152,976,295
EXPENDITURES								
Debt								
Debenture Debt								
Principal	22,840	22,840	-	22,840	22,840	-	-	2,381,835
Interest	10,400	10,400	-	10,400	5,200	-	-	6,250,000
Short Term	-	-	-	-	-	-	-	-
Temporary Borrowing	-	-	-	-	-	-	-	-
Total Debt	33,240	33,240	-	33,240	28,040	-	-	8,631,835
Administration Expense	321,590	334,455	-	334,455	347,835	361,750	376,220	391,270
Director Remuneration	11,390	12,530	-	12,530	13,785	15,165	16,680	18,350
Consulting	35,000	35,000	-	35,000	35,000	35,000	35,000	35,000
Northern Health Authority Funding - Section 20(1) Capital Expenditures								
Building Integrity < \$100,000	100,000	100,000	-	100,000	100,000	100,000	100,000	100,000
Minor Equipment Grant	1,100,000	1,120,400	-	1,120,400	1,142,810	1,165,665	1,188,980	1,212,760
Major Projects & Equipment	10,820,310	7,018,287	(1,155,315)	5,862,972	11,393,220	16,856,980	12,841,515	12,841,515
Prior Year Commitments	7,313,670	8,170,443	1,097,015	9,267,458	-	-	-	-
UHNBC Early Works	4,400,000	20,000,000	-	20,000,000	16,888,000	-	-	-
UHNBC Acute Care Tower	-	-	-	-	-	-	-	125,000,000
Total Northern Health Funding	23,733,980	36,409,130	(58,300)	36,350,830	29,524,030	18,122,645	14,130,495	139,154,275
Capital Reserve - Transfer To	7,357,010	-	-	-	-	7,743,880	12,560,645	4,745,565
TOTAL EXPENDITURES	31,492,210	36,824,355	(58,300)	36,766,055	29,948,690	26,278,440	27,119,040	152,976,295
ANTICIPATED RESERVE BALANCE AT YEAR END	87,352,860	75,774,035	58,300	75,832,335	71,737,720	79,481,600	92,042,245	96,787,810



PEACE RIVER REGIONAL
HOSPITAL DISTRICT



January 31, 2025

The Honourable Josie Osborne, MLA
Minister of Health
PO Box 9050 Stn Prov Govt
Victoria, BC V8W 9E2
Via email: HLT.Minister@gov.bc.ca

The Honourable Bowinn Ma, MLA
Minister of Infrastructure
PO Box 9021 Stn Prov Govt
Victoria, BC V8W 9E2
Via email: INF.Minister@gov.bc.ca

Dear Minister Osborne and Minister Ma:

Re: Invitation to meet with Regional Hospital Districts within Northern Health

The Regional Hospital Districts in the Northern Health region would like to take this opportunity to congratulate you on your appointments to Minister of Health and Minister of Infrastructure and extend an invitation to meet with us regarding the current funding challenges that northern Regional Hospital Districts are experiencing.

The North West, Stuart-Nechako, Fraser-Fort George, Cariboo-Chilcotin, Northern Rockies and Peace River Regional Hospital Districts (the RHDs) contribute some of the highest residential property tax requisition rates per thousand in the Province to Northern Health's capital budget. There are a number of factors that are impacting the current state of affordability with fairness across the Province being a consideration. There is a noteworthy disparity across the Province in terms of what taxpayers pay, with RHDs in the North of the Province paying more on average.

At the 2024 Union of BC Municipalities Convention during the Electoral Area Directors' Forum, the Fraser-Fort George and Stuart-Nechako Regional Hospital Districts provided a presentation that provided background and financial data that supported the special resolution (SR1) – Unsustainable Local Government Contributions to Regional Hospital Districts that was endorsed by the UBCM membership.

We would like to arrange a meeting with you prior to the adoption of the RHDs budgets in March of 2025 to discuss funding and affordability concerns along with the need for legislative reform of the *Hospital District Act*.

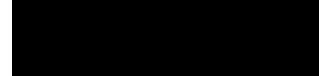
Sincerely,



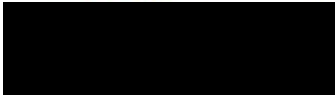
Barry Pages, Chair
North West
Regional Hospital District



Judy Greenaway, Chair
Stuart-Nechako
Regional Hospital District



Joan Atkinson, Chair
Fraser-Fort George
Regional Hospital District



Al Richmond, Chair
Cariboo-Chilcotin
Regional Hospital District



Leonard Hiebert, Chair
Peace River
Regional Hospital District



Rob Fraser, Chair
Northern Rockies
Regional Hospital District

Attachment: 2024 UBCM Resolution – SR1 Unsustainable Local Government Contributions to Regional Hospital Districts

cc: Alisa Thompson, Executive Director, North West Regional Hospital District
Curtis Helgesen, CAO, Stuart-Nechako Regional Hospital District
Chris Calder, CAO, Fraser-Fort George Regional Hospital District
Murray Daly, CAO, Cariboo-Chilcotin Regional Hospital District
Shawn Dahlen, CAO, Peace River Regional Hospital District
Scott Barry, CAO, Northern Rockies Regional Hospital District

Section SR



Health and Social Development

SR1 Unsustainable Local Government Contributions to Regional Hospital Districts

UBCM Executive

Whereas local governments are facing significant financial pressures due to the expansion of services which are being downloaded by the provincial and federal governments on many issues including housing, community safety and climate change;

And whereas local governments must share the capital infrastructure project costs for healthcare facilities with the provincial government through their Regional Hospital Districts with 60 percent contributed by the Province and 40 percent contributed by Regional Hospital Districts;

And whereas local governments must provide the 40 percent 'voluntary' contribution towards the provincial government's health care capital costs, including any cost overruns, or risk losing those projects to other areas of the province:

Therefore be it resolved that the provincial government work with Regional Hospital Districts and UBCM to review the cost-sharing model for funding health capital projects in BC, and acknowledge that the reliance on property taxes to fund areas of provincial health care responsibility is inconsistent and unsustainable for BC local governments.

UBCM Resolutions Committee Recommendation: **Endorse**

UBCM Resolutions Committee Comments:

The Resolutions Committee notes that the UBCM membership has endorsed numerous resolutions regarding the cost-sharing of capital projects between Health Authorities and Regional Hospital Districts. (2023-NR11, 2021-EB64, 2018-B50, 2018-B144, 2017-B39, 2016-B114, 2014-B35, 2011-B58, 2009-B150, 2008-B129, 2007-B184, 2005-B42, 2004-B28). Several of the resolutions have requested a review of the historic cost-sharing ratio and have advised reliance on the property tax system to provide 40 percent of the capital costs is inflexible, inconsistent, and unsustainable.

The Committee also notes that the membership supported resolution 2023-NR10 which called for a review of the structure/management of Health Authorities; and resolution 2014-C19 which requested legislative change to require the composition of health authority boards to include representation from regional districts.

For 2024, UBCM received three related resolutions on regional hospital districts that will be referred to this Special Resolution. Resolution RR1 requests that the provincial government consult with Regional Hospital Districts to reconsider the existing capital infrastructure project funding split as the 60:40 percentages are not legislated in the Hospital District Act; Resolution RR2 asks the provincial government for transparent and accurate cost estimates for healthcare infrastructure projects, enabling accountability and effective financial planning by local governments; and Resolution RR3 requests equitable funding arrangements for healthcare infrastructure projects, ensuring that the financial burden is distributed fairly among communities based on their capacity to contribute.

See resolutions RR1, RR2, RR3

Background

The UBCM Executive is bringing forward a special resolution on Regional Hospital Districts to highlight and provoke action by the provincial government on the long-standing issue of the expected contributions from local governments to provincial health care capital projects.

Local governments, through their Regional Hospital Districts (RHD), provide a voluntary 40 percent contribution towards capital costs. However, most RHDs acknowledge that while they theoretically can (and some do) refuse to approve the full 40 percent of project requests from Health Authorities, they feel that it is risky to do so as the project could be placed at risk and the local community could lose needed investments.

In response to endorsed resolution 2021-EB64, the Ministry of Health advised that “RHDs are expected to contribute 40 percent of capital project costs within their region”. The provincial government noted that “when there is an opportunity to amend the Hospital District Act - the legislative framework for the roles and responsibilities of RHDs - the review of the cost-sharing model for funding health capital projects in BC could be considered in consultation with all stakeholders, including RHDs and the Union of BC Municipalities”.

Staff note that the Regional Hospital Districts exist in every region of BC except for the Greater Vancouver Regional District. A provision in the Greater Vancouver Transportation Act allows residents in that area contribute towards transit instead of health care capital costs.

UBCM Policy Position

Local contributions to Regional Hospital Districts have been a significant issue for UBCM since 1992.

UBCM was involved in drafting two Regional Hospital District Cost Sharing Reviews in 2003 and 2009.

In 2003, Sierra Systems was hired by the Ministry of Health to conduct a review of the cost sharing processes between the Ministry of Health, Health Authorities and RHDs. The review examined the appropriate role for RHDs in capital planning and contribution decisions; and the capital process concerns of each party. The report offered 15 recommendations.

In 2008 and 2009, UBCM worked with the Ministry of Health to commission a second report to review the status of the implementation of recommendations from the 2003 Cost Sharing Review.

Following the release of the report, Ministry of Health staff provided updates to the UBCM membership in 2009, 2010, and 2011 at the Annual Conventions. In 2011, the Ministry noted that of the actionable recommendations, 8 items were complete, 1 item was 95 percent complete (recommendation #2), and 1 item is headed in the right direction (recommendation #1), and 1 item will be on the legislative agenda (recommendation #11). It was noted that the Ministry was preparing a summary report to present to the RHDs in early 2012.

Work on the implementation of the recommendations stalled after the 2011 Convention session, due to a lack of staff resources at the Ministry to continue the work, and the 2013 provincial election.

To re-ignite work with the provincial government on regional hospital districts, UBCM offered a clinic on the issue at the 2018 Convention, which included the CEO of Interior Health, a representative of Island Health, two local Directors from RHDs, and a representative from the Ministry of Health.

Current Status

Regional Hospital Districts in BC have reported significant cost increases in the funding requests brought forward by Health Authorities for healthcare capital expenditures. This has resulted in substantial increases to RHD budgets and to the regional district taxpayers.

For example, the below table outlines the Fraser Fort George Regional Hospital District contributions to Northern Health between 2014 and 2023; as well as anticipated costs for 2024 to 2028.

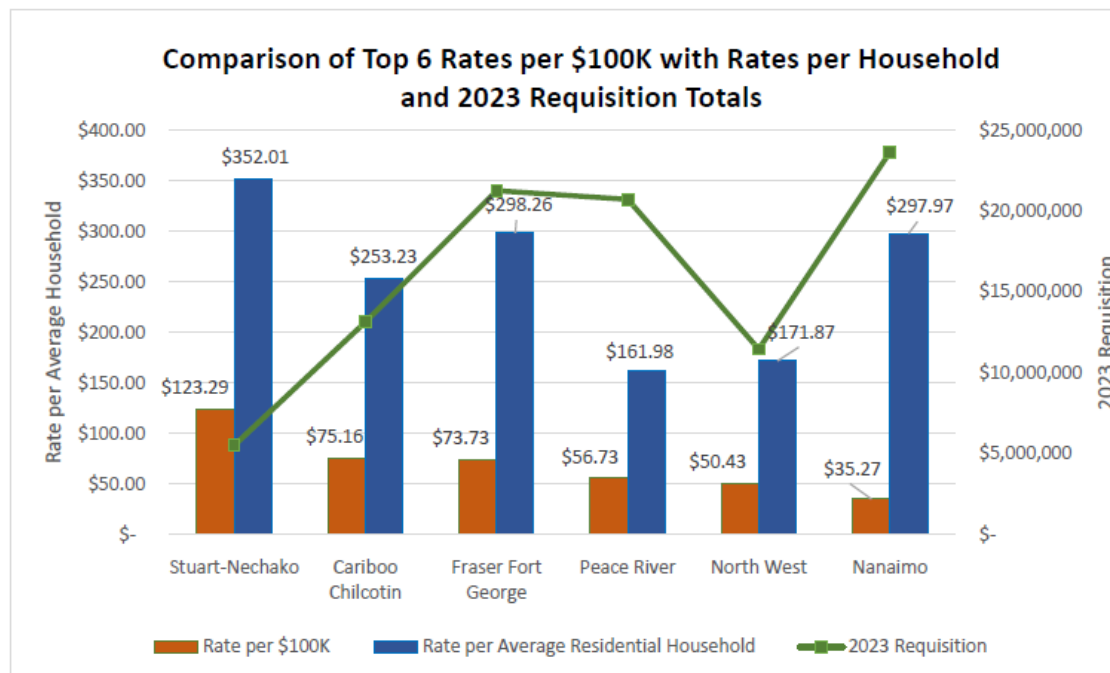
**Fraser Fort George Regional Hospital District
Grants to to Northern Health Authority**

Anticipated 2028	12,910,995
Anticipated 2025	12,887,655
Anticipated 2025	23,549,665
Anticipated 2025	32,015,295
Anticipated 2024*	23,633,980
2023	10,484,730
2022	6,649,135
2021	5,168,061
2020	2,081,112
2019	4,950,916
2018	4,824,597
2017	4,033,689
2016	2,097,310
2015	2,804,326
2014	3,342,915

*Note: 2024 includes prior year commitments of \$7,313,671

Fraser Fort George also collected data on provincial hospital requisition rates, showing a comparison of requisitions rates for taxpayers in various Regional Hospital Districts.

Figure 9 – Comparison of Top 6 Rates per \$100K with Rates per Household and 2023 Requisition Totals



The Fraser Fort George Hospital District financial plan provides additional detail on future funding needs, strategic issues, and recommendations: <https://www.rdfg.ca/media/file/approved-financial-plan-2024-2038>