



Fraser-Fort George
**REGIONAL HOSPITAL
DISTRICT**

FFGRHD Overview

January 26, 2023

Agenda

- Background – What are RHDs?
- Intro to FFGRHD
- Memorandum of Understanding and Funding Considerations
- 2022 to 2036 Financial Plan
- Current Financial Position
- Budget Process
- Proposed Board Meetings for 2023
- Questions



Background – What are RHDs?

- Regional Hospital Districts were created by provincial legislation to raise a local share of capital costs for hospital equipment and building through requisition
- *Hospital District Act* is the legislation that RHDs follow
- Section 20(1) outlines the purpose of RHDs:
 - 6 purposes – only perform two in practice currently
 - 20(1)(b) to grant aid for the establishment, acquisition, reconstruction, enlargement, operation and maintenance of hospitals and hospital facilities;
 - 20(1)(f) to exercise and perform the other powers and duties prescribed under this Act as and when required



Fraser-Fort George Regional Hospital District (FFGRHD)

- Established in 1967 (same time as the Regional District)
- Shares the same boundaries, directors and administrative staff as the Regional District
- The RHD shares in the capital funding for health facilities and medical equipment within its boundaries and includes the following principal health facilities operated by the Northern Health Authority:
 - University Hospital of Northern British Columbia
 - Mackenzie and District Hospital and Health Centre
 - McBride and District Hospital
 - Valemount Health Centre



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Memorandum of Understanding

- All northern RHDs have signed a memorandum of understanding with Northern Health
- Renewed every two years
- Current version was approved by Board in August 2021
- Outlines terms for the ongoing relationship between Northern Health and FFGRHD in relation to:
 - Funding allocations/information sharing
 - Feedback mechanisms for Board and Administration
 - Provision of multi year Capital Plans
 - Project Implementation and Accountability Processes for larger value projects
 - Communication protocols
- Ensures consistency and commitment from Northern Health to be a partner with the RHD



Funding Considerations

- In practice, funding includes:
 - acquisition of property,
 - renovations,
 - new construction; and
 - medical equipment
- Typically, RHDs provide 40% of the capital cost of a project
 - There are some exceptions to this for IT, Region Wide and projects with other funding sources



Funding Considerations

- Each year, Northern Health Authority provides their capital plan that requests funding contributions from the FFGRHD
- Funding requests are broken into:
 - Major Projects (over/under \$5 million)
 - Major Equipment (> \$100,000)
 - Information Technology
 - Building Integrity
 - Minor Equipment



NHA Mega Projects

- Northern Health currently has two mega projects in the planning process where FFGRHD funding contributions will be requested
 - UHN Acute Care Tower
 - Residential Care and Alternative Dementia Beds
- Board approved funding the business plans for these two projects in 2021
- Planning is ongoing





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2022 to 2036 Long Term Financial Plan

Background

- Original Financial Plan was approved by Board in February 2017
 - Recommended \$0.05 increase to residential taxation mill rate for four years (2017-2020) and then 3% increase each year after
- Provided an overview of the future financial impacts that Northern Health Authority funding requests will have on the FFGRHD budget



Background

- Main projects in the Original Financial Plan were:
 - \$600M (\$240M RHD share) for UHNBC Development Phase 2 or UHN Surg MHA Cardiac Tower (now known as UHN Acute Care Tower or UHN ACT Project)
 - \$60M (\$24M RHD share) for NI Residential Care Beds (now known as Residential Care and Alternative Dementia Beds or the RCAD Project)



Background

- Updated Financial Plan (or 2019 Financial Plan) approved by Board in November 2019
 - Covered period from 2020 to 2034
- Updated Financial Plan (or 2021 Financial Plan) approved by Board in November 2021
 - Covered period from 2022 to 2036



Background

- Financial Plan takes into account numerous factors, including but not limited to:
 - NHA Future Capital Needs
 - Strategic Issues
 - NHA Major Projects
 - Assumptions for key financial considerations
 - Sensitivity Analysis



2022 to 2036 LT Financial Plan

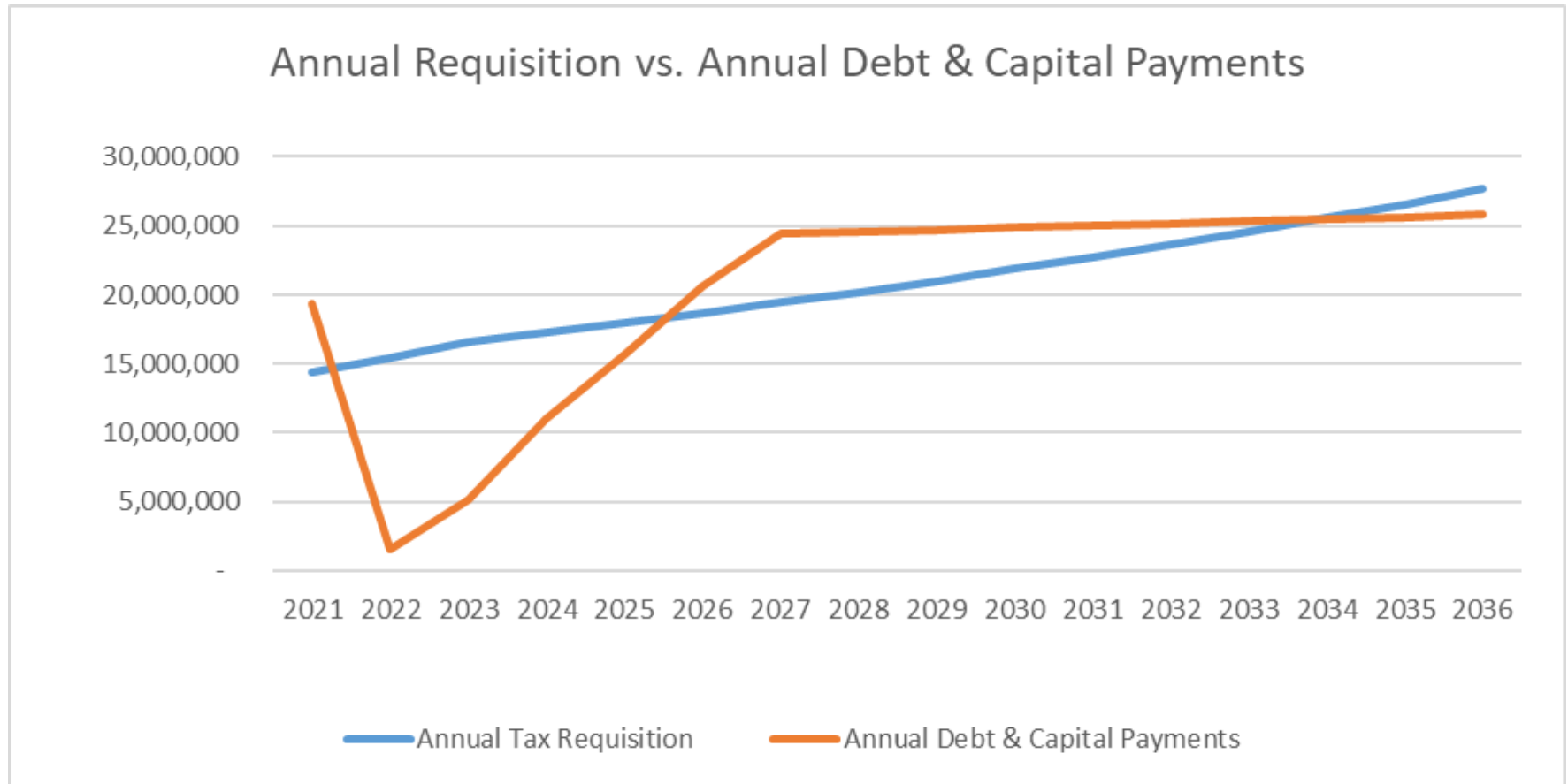
1. Five cent increases to the residential tax requisition rate for the years 2022 and 2023.
2. Starting 2024, a 4% increase to requisition each year thereafter.
3. Financial Plan will be reviewed every two years.

This plan maintains the Capital Reserve Fund balance for unforeseen capital projects.



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Requisition vs. Debt & Capital Payments – Current Funding Model



Financial Plan Update

- Scheduled for fall of 2023
- Will incorporate information received from Northern Health up to the date of writing
- Assumptions and projections may be adjusted from the current plan dependent on the updated information received
- Will provide guidance for 2024 budget and beyond



Current Financial Position

	Actual – December 31, 2021	December 31, 2022	Difference
Residential Requisition Rate per \$100K	\$ 63.54	\$ 68.54	\$ 5
Requisition	\$ 14,353,000	\$ 17,769,000	\$ 3,416,000
Payment by Average House	Based on \$334,045 avg: \$212.25	Based on \$400,889 avg: \$274.16	\$ 61.91
Capital Reserve Fund	\$ 47,066,375	\$ 58,100,000*	\$ 11,033,625

* Estimate subject to completion of 2022 year end audit



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Residential Tax Rate and Requisition

Year	Tax Rate	Requisition
2015	\$0.3513	\$5,803,630
2016	\$0.4524	\$7,839,230
2017	\$0.4839	\$8,706,230
2018	\$0.4870	\$9,573,230
2019	\$0.5354	\$10,754,000
2020	\$0.5854	\$12,607,500
2021	\$0.6354	\$14,353,000
2022	\$0.6854	\$17,769,000



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Budget Process

- Section 23 of the *Hospital District Act* outlines requirement for a provisional and annual budget
- Provisional budget must be prepared and adopted by December 31 for the following year
- Annual budget bylaw is required to be adopted by March 31st each year



Provisional Budget

- Provisional Budget
 - Required to be approved prior to Dec 31st
 - Typically to Board for approval in November each year
 - Utilizes the Year 2 of the NHA Capital Plan used for the prior year's budget
 - Certain revenue and expense items are expected to adjust between the provisional and annual budget

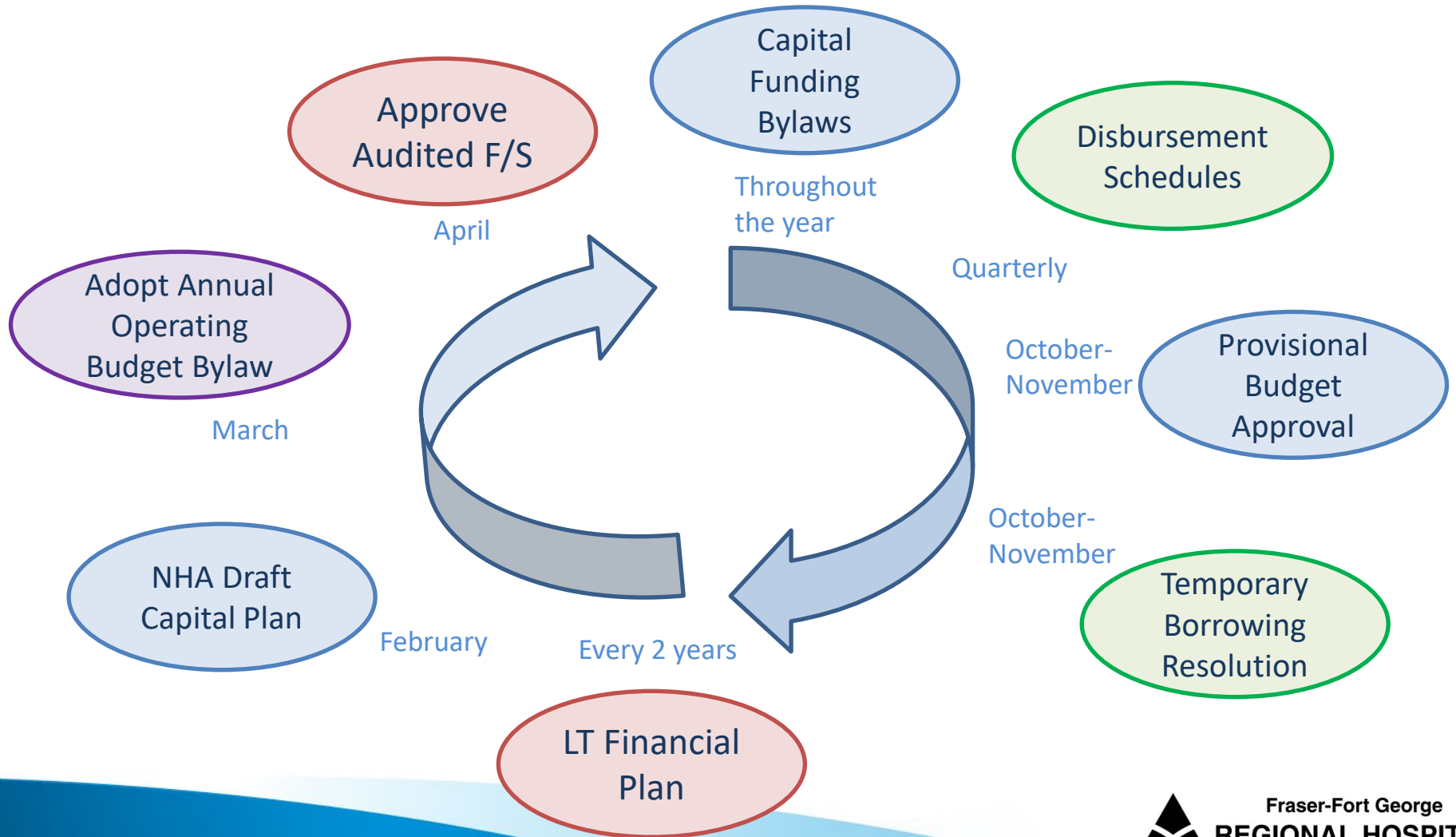


Actual Budget

- Actual Budget
 - Required to be approved by March 31st
 - Current year NHA Capital Plan/request to Board in February
 - Annual budget is adjusted from provisional budget based on updated information from BC Assessment, NHA and long-term financial plan
 - Final budget draft to Board for approval at March board



Approvals - RHD



Proposed Board Meetings - 2023

Month	Meeting Topics
February 2023	NHA 2023/24 Capital Plan
March 2023	2023 Annual Budget
April 2023	2022 Annual Financial Statements
May 2023 to July 2023	NHA Update on Acute Care Tower
August 2023	MOU Renewal; Capital Bylaws
October 2023	Long Term Financial Plan Update
November 2023	2024 Provisional Budget



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QUESTIONS?



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