



**Fraser-Fort George  
REGIONAL HOSPITAL  
DISTRICT**

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**REPORT FOR CONSIDERATION**

TO: Chair and Directors  
FROM: Sarah White, General Manager of Financial Services  
DATE: February 7, 2025  
SUBJECT: Budget Update – February 2025  
SUMMARY: Purpose: For Information

Previous Reports: Item No. 5.2 November 2024 (*NH Contribution Level Options*)  
Item No. 5.2 December 2024 (*Provisional Budget*)

**RECOMMENDATION(S):**

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

ENTITLEMENT	HOW VOTE COUNTED
All 1 Director/1 vote	Majority

**ISSUE(S):**

This report outlines key financial updates for the 2025 Budget including the impact of BC Assessment information on anticipated tax rates for 2025 as well as Northern Health Authority (NHA) commitments carried forward and the updated funding request letter for 2025.

This information regarding the 2025 budget is being provided for information and to allow an opportunity for Directors to provide additional feedback on the 2025 Budget prior to the Budget Bylaw approval at the March 2025 board meeting.

**RELEVANT POLICIES:**

1. *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.
2. *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.
3. *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):**

Tax Requisition & BC Assessment:

BC Assessment has provided updated property assessment values in the 2025 Completed Roll released in December 2024. The converted assessment values for 2025 have increased an average of 5.99% throughout the Regional District. A 5-year comparison of historical tax rates per \$100,000 and the average residential home value tax requisition is provided in the table below. Using a 4.90% requisition increase for 2025 as approved in the 2024 Long Term Financial Plan results in a tax rate of \$73.06 per \$100,000 for 2025 and an anticipated cost of \$305.29 per residential home valued at \$417,838.

Year	Residential Rate per \$100,000	Rates per Average Household
2021	\$63.54	\$190.73
2022	\$68.54	\$247.99
2023	\$73.73	\$298.26
2024	\$73.95	\$300.71
2025 Provisional	\$73.06	\$305.29

Based on financial modelling prepared during the UHNBC Acute Care Tower bylaw approval, the anticipated residential rate per \$100,000 was \$77.57 and the cost per average household was anticipated to be \$315.44. The actual tax impact for 2025 is less than anticipated due to assessment growth.

The requisition increases identified are necessary in order to meet the commitments to fund the UHNBC Acute Care Tower and related borrowing in future years as well as projected capital needs identified by the NHA for future years.

2024 Budget Surplus:

The Fraser-Fort George Regional Hospital District (FFGRHD) adopted the 2024 Annual Operating Budget Bylaw No. 345, 2024 in March 2024. This approved budget included a total of \$23,733,980 in grants to the NHA for various projects in 2024. During 2024, total payments to Northern Health of \$9,926,277 were made resulting in a positive variance of \$13,807,703 (58%) to budget for the year.

This variance includes \$2,147,032 in NHA de-commitments on approved Bylaws as well as \$2,393,213 in anticipated Bylaws not requested during 2024 for a total of \$4,540,245. The remaining variance of \$9,267,458 is related to unspent budget related to approved bylaws and will be carried forward to the 2025 budget as a prior year commitment.

The delayed timing of cash spending during the 2024 year, along with anticipated funds being carried forward for a future fiscal year allows opportunities to transfer more funding into reserves at the 2024 fiscal year-end and increase investment returns on these reserve funds.

Prior Year Commitments:

Any amounts remaining unspent on approved bylaws approved up to December 31, 2024 are carried forward as a prior year commitment. Prior Year Commitments to be funded by the 2025 Budget are as follows:

2024 Capital Project Bylaws approved and not yet spent	\$6,843,858
2025 Multi-Year Project Bylaw amounts approved in 2024	\$2,423,600
Acute Care Tower Early Works (2025)	\$20,000,000
<b>Total Prior Year Commitments 2025 Budget</b>	<b>\$29,267,458</b>

Future Year Commitments to NHA as of December 31, 2024 also include:

Acute Care Tower Early Works (2026)	\$16,888,000
Acute Care Tower Construction (2029 – 2032)	\$318,712,000
<b>Total Future year Commitments</b>	<b>\$335,600,000</b>

<b>Total NHA Commitments as of Dec 31, 2024</b>	<b>\$364,867,458</b>
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2025 NHA Capital Plan and Funding Request:

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”. This amount was calculated as \$7,018,285 based on the November 4, 2024 NHA funding request for major projects, major equipment and IT projects of \$12,621,244 for 2025.

The original request from November has been reduced to reflect Bylaws approved in 2024 with multi-year spending anticipated for 2025 including the UHN Fire Alarm System Replacement (\$1,561,600) and the UHN Nuclear Medicine

Hawkeye Replacement (\$862,000). Based on the funding contribution letter dated February 5, 2025, a funding contribution of 21.625% of the most recent NHA request would be \$5,862,970.

**COMMENTS:**

The Proposed budget for 2025-2029 will be presented at the March 2025 meeting for review. The final 2025 budget bylaw is required to be adopted by the Board prior to the end of March 2025.

Respectfully submitted,

***“Sarah White”***

Sarah White  
General Manager of Financial Services

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