



**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: December 9, 2024

SUBJECT: 2025 – 2029 Provisional Budget

SUMMARY: Purpose: Consider Approval of 2025 – 2029 Provisional Budget

Click or tap here to enter text.

Attachments:

Schedule “A”, Fraser-Fort George Regional Hospital District 2025 – 2029 Provisional Budget

RECOMMENDATION(S):

1. THAT the report dated December 9, 2024 and Schedule “A”, Fraser-Fort George Regional Hospital District 2025 to 2029 Provisional Budget be received for information.
2. THAT the 2025 to 2029 Provisional Budget for the Fraser-Fort George Regional Hospital District, as attached to the report dated December 9, 2024 be approved.

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

ISSUE(S):

Regional hospital districts are required, under the *Hospital District Act*, to pass a provisional budget prior to the end of the preceding calendar year. The provisional budget fulfils this legislative requirement until the Board adopts the 2025 Annual Budget in February or March 2025, prior to the March 31, 2025 statutory deadline.

A 5-year provisional budget is being presented to provide the Board with visibility of future funding requirements and how the Fraser-Fort George Regional Hospital District (“FFGRHD” or “Regional Hospital District”) can meet these requirements. This results in the draft 2025 – 2029 Provisional Budget attached to this report.

The Provisional Budget for the Regional Hospital District includes a 4.9% increase to requisition for 2025 followed by 2.60% increases to requisition from 2026 through to 2029. This increase is based on the latest approved FFGRHD Long-Term Financial Plan and financial modelling completed during the UHNBC Acute Care Tower funding bylaw approval. Additional options to blend the requisition rates over 2025 to 2029 can also be considered on future versions of the 2025 Budget, if requested by the Board.

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 Northern Health Authority (NHA) for future years.

The Board is being asked to consider approving the 2025 – 2029 Provisional Budget as presented herein.

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.

FINANCIAL CONSIDERATION(S):

Long-Term Financial Plan Background

In 2017, the Board approved an annual increase for 2017, 2018, 2019 and 2020 of \$0.05 per \$1,000 of assessed value on the average single-family dwelling in accordance with the Financial Plan 2017 – 2031.

Financial Plan 2020 – 2034, approved in 2019, continued with the \$0.05 increase in the residential tax requisition mill rate for the years 2020, 2021, 2022 and 2023.

Financial Plan 2022 – 2036 reaffirmed the \$0.05 increase in the residential tax requisition mill rate for 2022 and 2023.

Financial Plan 2024 – 2038 approved a 4.90% increase to total requisition for 2024 and 2025.

The next FFGRHD Long-Term Financial Plan 2026 – 2040 (“Financial Plan 2026 – 2040”) is planned to be presented for the Board’s consideration and approval in late 2025.

Provisional Budget

FFGRHD funding for the UHNBC Early Works Agreement and Acute Care Tower are included in the 2025 – 2029 Provisional Budget based on approved Bylaws and negotiated payment timing.

In preparing the 2024 – 2028 Provisional Budget, a 4.0% increase was applied to the Chair and Acting Chair’s remuneration and to administration expenses as included in the Financial Plan 2025 – 2039.

A 2% increase was applied to the Minor Equipment Grant and the annual building integrity funding grant has remained the same at \$100,000 as per the NHA’s projections.

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.

Per direction provided by the Board at the November meeting, the 2025 budget for major projects and equipment expenditures has been reduced to 21.63% of the total project funding that was requested by the NHA in their preliminary funding request dated November 4, 2024. This amount is calculated as \$7,018,285 as compared to the requested funding of \$12,621,244 for 2025.

Administration has utilized the NHA’s preliminary funding request dated November 4, 2024 to determine major projects and equipment expenditures from 2026 to 2029.

It should be noted that the expected annual capital expenditure information provided by the NHA for provisional budgeting purposes are preliminary numbers and that these numbers will likely change slightly between now and when the 2025 Annual Budget is presented for adoption.

Budget items expected to change between the 2025 Provisional Budget and the 2025 Annual Budget include, but are not limited to:

- Tax Requisition
- Transfer from Capital Reserve Fund revenue
- Major Projects and Equipment expenditure
- Prior Year Commitments
- Transfer to Capital Reserve Fund expenditure

The 2025 Annual Budget will be presented to the Board in detail in February or March 2025 and will include any proposed changes based on updated projections received from the NHA and other information sources before that date.

OTHER CONSIDERATION(S):

The impact to major projects and equipment purchases related to the proposed funding reduction is not yet known. An updated funding request letter from Northern Health and further discussions with the Board are anticipated in early 2025.

DECISION OPTIONS:

1. Approve recommendations.

- 2025 – 2029 Provisional Budget for the Fraser-Fort George Regional Hospital District will be approved.

Other Options:

- a. Defer adoption for more information.
- b. Do not approve adopting the 2025 – 2029 Provisional Budget for the Fraser-Fort George Regional Hospital District:
 - The Regional Hospital District will not be in compliance with the *Hospital District Act* if a 2025 Provisional Budget is not approved prior to December 31, 2024.
- c. Provide additional feedback on requisition levels or future year expenditures which will be utilized in the preparation of the final budget.

COMMENTS:

The Board is being asked to approve the 2025 – 2029 Provisional Budget.

Respectfully submitted,

“Sarah White”

Sarah White
General Manager of Financial Services

SW:bl

Schedule "A"
Fraser-Fort George Regional Hospital District
2025 - 2029 Provisional Budget

	2024	2025	2026	2027	2028	2029
	Approved	Provisional	Projected	Projected	Projected	Projected
REVENUE						
Tax Requisition	22,312,230	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
Investment Income	1,826,310	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	4,094,615	-	-	-
Debt Issued	-	-	-	-	-	125,000,000
Prior Year's Surplus	-	-	-	-	-	-
TOTAL REVENUE	<u>31,492,210</u>	<u>36,824,355</u>	<u>29,948,690</u>	<u>26,278,440</u>	<u>27,119,040</u>	<u>152,976,295</u>
EXPENDITURES						
Debt						
Debenture Debt						
Principal	22,840	22,840	22,840	-	-	2,381,835
Interest	10,400	10,400	5,200	-	-	6,250,000
Short Term	-	-	-	-	-	-
Temporary Borrowing	-	-	-	-	-	-
Total Debt	<u>33,240</u>	<u>33,240</u>	<u>28,040</u>	<u>-</u>	<u>-</u>	<u>8,631,835</u>
Administration Expense	321,590	334,455	347,835	361,750	376,220	391,270
Director Remuneration	11,390	12,530	13,785	15,165	16,680	18,350
Consulting	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
Minor Equipment Grant	1,100,000	1,120,400	1,142,810	1,165,665	1,188,980	1,212,760
Major Projects & Equipment	10,820,310	7,018,287	11,393,220	16,856,980	12,841,515	12,841,515
Prior Year Commitments	7,313,670	8,170,443	-	-	-	-
UHNBC Early Works	4,400,000	20,000,000	16,888,000	-	-	-
UHNBC Acute Care Tower	-	-	-	-	-	125,000,000
Total Northern Health Funding	<u>23,733,980</u>	<u>36,409,130</u>	<u>29,524,030</u>	<u>18,122,645</u>	<u>14,130,495</u>	<u>139,154,275</u>
Capital Reserve - Transfer To	7,357,010	-	-	7,743,880	12,560,645	4,745,565
TOTAL EXPENDITURES	<u>31,492,210</u>	<u>36,824,355</u>	<u>29,948,690</u>	<u>26,278,440</u>	<u>27,119,040</u>	<u>152,976,295</u>
ANTICIPATED RESERVE BALANCE AT YEAR END	<u>85,992,425</u>	<u>74,413,600</u>	<u>70,318,985</u>	<u>78,062,865</u>	<u>90,623,510</u>	<u>95,369,075</u>