



**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: 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 31<sup>st</sup> 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 31<sup>st</sup> 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.

<b>Directors' Remuneration</b>	<b>\$ 12,530</b>
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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.

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

<b>Northern Health Authority Funding</b>	<b>\$ 36,350,830</b>
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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.