



CAPITAL REGIONAL HOSPITAL DISTRICT BOARD
Notice of meeting to be held on Wednesday, May 9, 2012 at 1:30 pm
in the Board Room, 6th Floor, 625 Fisgard St., Victoria, BC

AGENDA

1. **APPROVAL OF AGENDA**
2. **ADOPTION OF MINUTES OF APRIL 11, 2012**
3. **REPORT OF THE CHAIR**
4. **PRESENTATIONS/DELEGATIONS**
5. **REPORTS OF COMMITTEES**
- 5.1 **PLANNING, TRANSPORTATION AND PROTECTIVE SERVICES COMMITTEE –**
May 2, 2012

1. 2012 Minor Capital Projects – Capital Expenditure and Borrowing Bylaw 157, 2012

- *That the CRHD Board approve the 2012 Minor Capital Projects listed in Appendix A of the report titled “2012 Minor Capital Projects – Capital Expenditure and Borrowing Bylaw 157, 2012 (PPS/HFP 2012-05)” with a CRHD cash flow of \$3,750,000, made up of:*
 - a) *\$639,000 in cash flow for ongoing project commitments*
 - b) *\$3,111,000 in cash flow for new commitments.*

(WA)
- *That Bylaw No. 372, “Capital Regional Hospital District Capital Bylaw No. 157, 2012”, for \$3,750,000 for Minor Capital Projects listed in Appendix A with a financing term of 10 years, be introduced and read a first and second time.*
- *That Bylaw No. 372 be read a third time.*
- *That Bylaw No. 372 be adopted.*

(WA)

6. NEW BUSINESS

7. ADJOURNMENT

Hospital Board - Voting Key:

NWA = Non weighted vote of all Directors

WA = Weighted vote of all Directors

**MINUTES OF A MEETING OF THE CAPITAL REGIONAL HOSPITAL DISTRICT BOARD
Held Wednesday, April 11, 2012, in the Board room, 625 Fisgard Street, Victoria, BC**

PRESENT: Directors: G. Hill (Chair), G. Young (Vice Chair), D. Blackwell, A. Bryson, S. Brice, J. Brownoff, C. Coleman (for M. Alto), T. Daly, V. Derman (1:32), B. Desjardins, C. Hamilton, D. Howe, M. Hicks, B. Isitt (1:31), F. Leonard, M. Loveless (for L. Cross), W. McIntyre, J. Mendum (1:32), W. Milne (1:31), J. Ranns and L. Wergeland (1:32)

Staff: K. Daniels, Chief Administrative Officer; L. Hutcheson, General Manager, Environmental Sustainability; R. Lapham, General Manager, Planning and Protective Services; D. Lokken, General Manager, Corporate Services; L. Rushton, General Manager, Parks and Community Services; A. Orr, Senior Manager, Corporate Communications; T. Tanton, Senior Manager, Infrastructure Engineering, Integrated Water Services; S. Santarossa, Corporate Officer; and S. Norton, Corporate Assistant, Legislative Services (Recorder)

ABSENT: Directors: D. Fortin, N. Jensen

The Chair called the meeting to order at 1:30 pm.

1. APPROVAL OF AGENDA

MOVED by Director Daly, **SECONDED** by Director Desjardins,
That the agenda be approved.

CARRIED

2. ADOPTION OF MINUTES OF DECEMBER 14, 2011, MARCH 7 AND MARCH 28, 2012

MOVED by Director McIntyre, **SECONDED** by Director Hamilton,
That the minutes of the December 14, 2011, March 7 and March 28, 2012 meetings be adopted.

CARRIED

3. REPORT OF THE CHAIR – No report

Directors Isitt and Milne entered the meeting at 1:31 pm.

4. PRESENTATIONS/DELEGATIONS – None

5. REPORTS OF COMMITTEES

**5.1 PLANNING, TRANSPORTATION AND PROTECTIVE SERVICES COMMITTEE –
March 28, 2012**

Directors Derman, Mendum, and Wergeland entered the meeting at 1:32 pm.

1. Guidelines for Funding Non-Traditional Capital Projects

Mr. Lapham reviewed the guidelines.

MOVED by Director Brownoff, **SECONDED** by Director Blackwell,
That the NTP guidelines intended to: assist the CRHD in its deliberations of project funding requests; and, clarify the policy context and assessment process for community agencies interested in accessing NTP funds, be approved.

CARRIED

6. NEW BUSINESS - None

7. ADJOURNMENT

MOVED by Director Brice, **SECONDED** by Director Blackwell,
That the meeting be adjourned at 1:34 pm.

CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

Planning, Transportation & Protective Services Committee's Report

Victoria, BC May 02, 2012

To the Chair and Directors of the Capital Regional Hospital District Board:

The Planning, Transportation & Protective Services Committee reports and recommends as follows:

1. 2012 Minor Capital Projects – Capital Expenditure and Borrowing Bylaw 157, 2012

- i) That the CRHD Board approve the 2012 Minor Capital Projects listed in Appendix A of the report titled "2012 Minor Capital Projects – Capital Expenditure and Borrowing Bylaw 157, 2012 (PPS/HFP 2012-05)" with a CRHD cash flow of \$3,750,000, made up of:
 - a) \$639,000 in cash flow for ongoing project commitments
 - b) \$3,111,000 in cash flow for new commitments;
- ii) That Bylaw No. 372, "Capital Regional Hospital District Capital Bylaw No. 157, 2012" for \$3,750,000 for Minor Capital Projects listed in Appendix A, with a financing term of 10 years be introduced and read a first and second time;
- iii) That Bylaw No. 372 be read a third time; and
- iv) That Bylaw No. 372 be adopted.

(Background information can be found in the attached staff report.)

**STAFF REPORT TO THE
PLANNING, TRANSPORTATION AND PROTECTIVE SERVICES COMMITTEE
MEETING OF MAY 2, 2012**

SUBJECT **2012 Minor Capital Projects – Capital Expenditure and Borrowing Bylaw 157, 2012**

ISSUE

To approve Capital Expenditure and Borrowing Bylaw No. 157, 2012, authorizing the Capital Regional Hospital District's (CRHD) expenditures towards Vancouver Island Health Authority (VIHA) minor capital projects.

BACKGROUND

The Ministry of Health provides capital funding to VIHA to address the need to upgrade and sustain its aging health infrastructure. Projects covered under this program are known as Minor Capital Projects (MCPs) and are projects valued between \$100,000 and \$2,000,000.

Investments in MCPs include new construction, additions, and alterations or betterment of existing structures and infrastructures, ongoing replacement of aging or failed building systems or components, overall infrastructure improvements, renovations or upgrades to accommodate change in service delivery, improve efficiency or respond to technology changes.

Traditionally, the CRHD's contribution towards the overall project cost for each individual project is cost shared (40/60) with the Ministry of Health. A capital borrowing bylaw is required to authorize the CRHD's 40% share.

The CRHD Board-approved 2012-2021 Capital Plan allocates \$3.75M toward 2012 MCPs. As a result of detailed discussions with VIHA Capital Planning staff, CRD Health and Capital Planning Strategies Division staff recommends the attached list of new and previously approved projects. Table 1 outlines the cash flow of these projects.

Table 1: Summary of CRHD Contribution to 2012 Minor Capital Projects	
	Cash Flow
Projects previously approved by CRHD Board	\$ 639,000
New project commitments	\$3,111,000
TOTAL	\$3,750,000

ALTERNATIVES

1. a) Approve the MCPs listed in Appendix A with a CRHD 2012 cash flow of \$3,750,000, made up of:
 - i) \$639,000 in cash flow to complete projects previously approved by the CRHD Board; and,
 - ii) \$3.111M in cash flow for new project commitments; and,
 b) Approve CRD Bylaw No. 372, "Capital Regional Hospital District Capital Bylaw No. 157, 2012" for \$3,750,000 for MCPs listed in Appendix A, with a financing term of ten (10) years.

2. Approve a 2012 cash flow requisition for ongoing project commitments only (\$639,000) and not approve new MCPs.

FINANCIAL IMPLICATIONS

Table 2 illustrates the financial implications for each alternative.

Table 2: Debt Servicing and Requisition Costs

Alternative	CRHD Share	Borrowing Term	Annual charge against 2012 assessed residential value (\$)	Annual charge per \$100,000 of assessed residential value
1	\$3,750,000	10 years ¹	\$2.82	\$0.52
2	\$639,000	5 years ²	\$0.81	\$0.15

Alternative 1

The CRHD has already provided for an expenditure of \$3.75M for 2012 MCPs as part of the CRHD 2012-2021 Capital Plan. This Alternative would commit the CRHD to future expenditures of \$2,020,115 to complete proposed new 2012 MCPs over the projects' construction period.

Alternative 2

This Alternative limits the CRHD's 2012 expenditures to \$639,000, thereby honouring its commitment to complete previously approved projects.

STRATEGIC IMPLICATIONS

Alternative 1

This Alternative would allow VIHA to complete projects already underway and proceed immediately with its highest-priority planned upgrades and betterments of existing facilities. This Alternative would contribute CRHD funds at 40% of total project costs with the Ministry of Health's 60% contribution.

Alternative 2

Alternative 2 would allow previously committed projects to complete but would limit the ability of VIHA to undertake new minor capital upgrades and improvements to existing facilities.

CONCLUSIONS

The CRD's Health and Capital Planning Strategies Division has conducted due diligence, attesting to the eligibility, suitability, scope and budget for the attached project list which represents VIHA's highest upgrading priorities for MCPs. Not only will CRHD funding benefit healthcare delivery in the Region, it will ensure the Ministry of Health capital funding for these projects.

A borrowing bylaw in the amount of \$3,750,000 borrowed over 10 years is recommended. This funding reflects the approval of the 2012 MCPs cash flow. A future cash flow commitment of \$2,020,115 will remain to complete the new projects and is established in the 2012-2021 CRHD Capital Plan.

¹ 10 year borrowing based on 5% interest rate


² 5 year borrowing based on 4% interest rate

RECOMMENDATIONS

That the Planning, Transportation and Protective Services Committee recommend that the CRHD Board:

- 1) Approve the 2012 Minor Capital Projects listed in Appendix A with a CRHD cash flow of \$3,750,000, made up of:
 - a) \$639,000 in cash flow for ongoing project commitments
 - b) \$3,111,000 in cash flow for new commitments; and
- 2) Approve Bylaw No. 372, "Capital Regional Hospital District Capital Bylaw No. 157, 2012" for \$3,750,000 for Minor Capital Projects listed in Appendix A, with a financing term of 10 years.


Maurice Rachwalski, Senior Manager
Health & Capital Planning Strategies Division


Robert Lapham, MCIP
General Manager Planning and Protective Services
Concurrence


per Kelly Daniels
Chief Administrative Officer
Concurrence

Attachments: 2

APPENDIX A - 2012 MINOR CAPITAL PROJECT SUBMISSION

Summary of Projects - New & Previously Approved

Project No.	Facility Name	Project Description	Total Cost	CRHD Share	CRHD 2012 Cash Flow	CRHD 2013 Cash Flow
PREVIOUSLY APPROVED PROJECTS:						
CX-12-04	SPH	Upgrade and install fire sprinklers in residential wings, support spaces and acute rooms	\$1,400,000	\$560,000	\$112,000	
CX-12-07	RJH	Ongoing asbestos abatement in Eric Martin Pavilion as per WorkSafe BC direction	\$1,200,000	\$480,000	\$280,000	
CX-12-08	RJH	Replacement of aged redundant fire alarm system for which parts are no longer available.	\$1,424,000	\$569,600	\$170,000	\$249,600
CX-12-25	VGH	Bumpless Power (Switch Bypass) installation to prevent power interruptions to hospital during generator testing	\$200,000	\$80,000	\$7,000	\$28,000
CX-12-26	RJH	Upgrade existing Reverse Osmosis Water System to add additional capacity	\$200,000	\$80,000	\$10,000	
CX-12-29	RJH	Replace leaking piping in ICU treatment rooms	\$400,000	\$160,000	\$60,000	
Projects cash flowed from 2010/11 & previously approved			\$4,824,000	\$1,929,600	\$639,000	\$277,600
2012 NEW PROJECTS:						
CX-12-01	OACCH	Upgrade Ledger Security to expand card access system, provide additional security measures and modify egress route	\$200,000	\$80,000	\$68,000	\$12,000
CX-12-02	OACCH	Ledger patient safety & suicide prevention - renovate 17 rooms to improve safety and security of adolescent patients	\$850,000	\$340,000	\$340,000	
CX-12-03	VGH	Installation of medical air to meet national obstetrical standards	\$321,360	\$128,544	\$128,544	
CX-12-05	VGH	Expansion of Stroke Rapid Assessment Unit to create a more efficient and functional outpatient clinic space	\$450,000	\$180,000	\$90,000	\$90,000
CX-12-06	VGH	Upgrade safe room on 4North to current acute care hospital standards	\$200,000	\$80,000	\$40,000	\$40,000
CX-12-09	RJH	Upgrade DT 3112 for new transcatheter aortic valve replacement (TAVI) program	\$152,000	\$60,800	\$60,800	
CX-12-10	RJH	Install dedicated air exchange system in Clinic 6 operating rooms to meet Main OR standards	\$1,854,000	\$741,600	\$246,005	\$495,595
CX-12-11	RJH	Relocation of multimedia production space to accommodate EMP asbestos abatement project	\$225,000	\$90,000	\$90,000	
CX-12-12	LMH	Replace fire alarm system (parts no longer available to repair existing) and bring site to current fire code	\$375,000	\$150,000	\$150,000	
CX-12-13	SPH	Fire Upgrade Phase II to connect flow and tamper switches to new fire alarm system once sprinklers installed	\$400,000	\$160,000	\$160,000	
CX-12-14	VGH	Replace aged main vault breakers that are at high risk of failure and parts no longer available	\$750,000	\$300,000	\$240,000	\$60,000
CX-12-15	GRH	Replace main electrical transformer which is showing signs of water intrusion and is at high risk of failure	\$500,000	\$200,000	\$40,000	\$160,000
CX-12-16	RJH	Replacement of pumps, valves, condensate tank and controls support the boilers	\$1,850,000	\$740,000	\$66,000	\$374,000
CX-12-17	GRH	Replace generator which has lasted beyond life expectancy; estimate includes upgrading transfer switches and breakers	\$600,000	\$240,000	\$72,000	\$168,000
CX-12-18	VGH	Phase II to replace second chiller that has lasted beyond expected life (28 yrs old)	\$772,500	\$309,000	\$60,000	\$249,000
CX-12-19	RJH	Ventilation System Upgrade, Royal & West Blocks, to replace existing fan systems and includes running chilled water pipe from main Power House	\$1,500,000	\$600,000	\$316,480	\$283,520
CX-12-20	RJH	Electrical upgrades to prevent overheating and fire risks.	\$150,000	\$60,000	\$60,000	
CX-12-21	GRH	Modernization and overhaul of elevators to extend life	\$927,927	\$371,171	\$303,171	\$68,000
CX-12-22	SPH	Replace oldest part of ECU roof	\$550,000	\$220,000	\$200,000	\$20,000
CX-12-24	VGH	Washroom Upgrades to improve patient safety	\$500,000	\$200,000	\$200,000	
CX-12-27	RJH	Renovations required to accommodate new Biomedical Engineering space	\$450,000	\$180,000	\$180,000	
Total New Projects Cost			\$13,577,787	\$5,431,115	\$3,111,000	\$2,020,115
2012 MINOR CAPITAL PROJECTS SUBMISSION (New & Previously Approved)			\$18,401,787	\$7,360,715	\$3,750,000	\$2,297,715

CAPITAL REGIONAL HOSPITAL DISTRICT BYLAW NO. 372

**CAPITAL EXPENDITURE & BORROWING BYLAW
BYLAW NO. 157, 2012**

WHEREAS the Board of the **Capital Regional Hospital District** proposes to borrow and expend money for the capital expenditures described in Schedule 'A' attached hereto and forming an integral part of this bylaw;

And whereas those capital expenditures have received the approval required under Section 23 of the Hospital District Act;

Now therefore the Board of the **Capital Regional Hospital District** enacts the following capital expenditure and borrowing bylaw as required by Sections 32 and 33 of the HOSPITAL DISTRICT ACT.

1. The Board hereby authorizes and approves the borrowing and expenditure of money necessary to complete the capital expenditures as described in Schedule 'A' attached.
2. The Board authorizes and approves the borrowing of a net sum not exceeding **\$3,750,000** upon the credit of the District by the issuance and sale of securities in a form and a manner agreed to by the Municipal Finance Authority of British Columbia. The term of the securities and the repayment of the principal and interest shall be over a term not to exceed **TEN** years.
3. To meet the payments of principal and interest during the term of the securities, there shall be included in the estimates of the Regional Hospital District each year, the respective amounts of principal and interest falling due in that year.
4. The Board hereby delegates the necessary authority to the Treasurer of the Capital Regional Hospital District to settle the terms and conditions of the borrowing and to undertake such temporary borrowing as is necessary to provide funding in advance of the receipt of funds from the Municipal Finance Authority of British Columbia.
5. This bylaw may be cited for all intents and purposes as the **Capital Regional Hospital District Capital Bylaw No. 157, 2012**.

READ A FIRST TIME THIS DAY OF ,2012.

READ A SECOND TIME THIS DAY OF ,2012.

READ A THIRD TIME THIS DAY OF ,2012.

ADOPTED THIS DAY OF ,2012.

Chairperson

Secretary/Treasurer

SCHEDULE "A"

Bylaw No. 372

CAPITAL REGIONAL HOSPITAL DISTRICT

CAPITAL EXPENDITURE

BYLAW NO 157, 2012

Name of Facility	Project or Equipment Description	Project Number	Amount covered by RHD Bylaw	Amount covered by Province (60%)	Total 2012 Minor Capital Projects Cashflow
Vancouver Island Health Authority (South)	Funding for 2012 Minor Capital Projects	C157-12-01	\$3,750,000	\$5,686,199	\$9,436,199
Total:			\$3,750,000	\$ 5,686,199	\$ 9,436,199