



Capital Regional Hospital District

**CAPITAL REGIONAL HOSPITAL DISTRICT BOARD**  
**Notice of meeting to be held on Wednesday, April 10, 2013 at 1:30 pm**  
**in the Board Room, 6<sup>th</sup> Floor, 625 Fisgard St., Victoria, BC**

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**AGENDA**

1. **APPROVAL OF AGENDA**
  2. **ADOPTION OF MINUTES OF DECEMBER 12, 2012 AND MARCH 27, 2013**
  3. **REPORT OF THE CHAIR**
  4. **PRESENTATIONS/DELEGATIONS**
  5. **REPORTS OF COMMITTEES**
  - 5.1 **PLANNING, TRANSPORTATION AND PROTECTIVE SERVICES COMMITTEE –**  
March 27, 2012
    1. **2013 Minor Capital Projects – Capital Borrowing Bylaw 158, 2013 (PPS/HFP 2013-04)**
      - *That the recommended minor capital projects listed in Appendix A of the staff report, totaling \$3.75M, be approved based on:*
        - a) *\$2.0M expensed from the current requisition and prior year surplus; and,*
        - b) *CRHD Bylaw No. 374, “Capital Regional Hospital District Capital Bylaw No. 158, 2013” to borrow \$1,750,000 with a financing term of five years.*
      - *That Bylaw No. 374, “Capital Regional Hospital District Capital Bylaw No. 158, 2013” be introduced and read a first and second time.*
      - *That Bylaw No. 374 be read a third time.*
      - *That Bylaw No. 374 be adopted.*
6. **NEW BUSINESS**
7. **ADJOURNMENT**

(WA)

**Hospital Board - Voting Key:**

**NWA** = Non weighted vote of all Directors

**WA** = Weighted vote of all Directors



**MINUTES OF THE INAUGURAL MEETING  
OF THE CAPITAL REGIONAL HOSPITAL DISTRICT BOARD  
Held Wednesday, December 12, 2012, in the Board room, 625 Fisgard Street, Victoria, BC**

- PRESENT: Directors:** M. Alto, D. Blackwell, A. Bryson, S. Brice, T. Daly, V. Derman, B. Desjardins, C. Hamilton, G. Hill, M. Hicks, B. Isitt, N. Jensen, D. Masselink (for D. Howe), W. McIntyre, J. Mendum, W. Milne, J. Ranns, V. Sanders (for F. Leonard), L. Seaton, L. Wergeland and G. Young  
**Staff:** K. Daniels, Chief Administrative Officer; L. Hutcheson, General Manager, Environmental Sustainability and Acting General Manager, Parks and Community Services; R. Lapham, General Manager, Planning and Protective Services; D. Lokken, General Manager, Corporate Services; T. Robbins, Acting General Manager, Integrated Water Services; C. Hopkins, Acting Senior Manager, Corporate Communications; M. Rachwalski, Senior Manager, Health and Capital Planning Strategies; S. Santarossa, Corporate Officer and S. Norton, Deputy Corporate Officer (Recorder)
- ABSENT: Directors:** J. Brownoff, L. Cross and D. Fortin

**INAUGURAL HOSPITAL BOARD MEETING**

**1. CALL TO ORDER – CHIEF ADMINISTRATIVE OFFICER**

K. Daniels called the meeting to order at 4:16 pm

**2. ELECTION OF CHAIR (pursuant to Section 13 of the *Hospital District Act*)**

K. Daniels called for nominations for the position of Chair of the Hospital District Board for 2013.

Director Derman nominated Director Blackwell.  
 Director Blackwell accepted.

K. Daniels called for nominations a second and third time and hearing none, declared nominations closed and declared Director Blackwell Chair of the Hospital District Board for 2013 by acclamation.

Chair Blackwell assumed the Chair.

**3. ELECTION OF ACTING CHAIR (pursuant to Section 13 of the *Hospital District Act*)**

Chair Blackwell called for nominations for the position of Acting Chair of the Hospital District Board for 2013.

Director Hill nominated Director Bryson.  
 Director Bryson accepted.

The Chair called for nominations a second and third time and hearing none, declared nominations closed and declared Director Bryson Acting Chair of the Hospital District Board for 2013 by acclamation.

### HOSPITAL BOARD MEETING

#### 1. APPROVAL OF AGENDA

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

**CARRIED**

#### 2. ADOPTION OF MINUTES OF THE MEETING OF NOVEMBER 14, 2012

**MOVED** by Director Hill, **SECONDED** by Director Milne,  
That the minutes of the meeting of November 14, 2014 be adopted.

**CARRIED**

#### 3. REPORT OF THE CHAIR

On behalf of the Hospital Board, Director Brice acknowledged and thanked Director Hill for his dedication and work as the Hospital Board Chair since 2009. The Hospital Board Directors gave Director Hill a round of applause.

#### 4. PRESENTATIONS/DELEGATIONS – None

#### 5. ADMINISTRATION REPORTS

##### 5.1 TEMPORARY BORROWING FOR CURRENT OPERATING EXPENDITURES – RESOLUTION

**MOVED** by Director Hill, **SECONDED** by Director Desjardins,  
That the Resolution to allow the temporary borrowing of up to \$9,000,000 for current operating expenditures be approved.

**CARRIED**

#### 6. NEW BUSINESS – None.

#### 7. MOTION TO CLOSE THE MEETING

**MOVED** by Director Hill, **SECONDED** by Director Mendum,  
That the Hospital District Board close the meeting in accordance with the Community Charter, Part 4, Division 3, 90(1) (e) the acquisition, disposition or expropriation of land or improvements, if the Board considers that disclosure could reasonably be expected to harm the interests of the Hospital District.

**CARRIED**

The Hospital District Board closed the meeting at 4:22 pm and rose without report at 4:40 pm.

8. ADJOURNMENT

**MOVED** by Director Hill, **SECONDED** by Alternate Director Sanders,  
That the meeting be adjourned at 4:40 pm.

**CARRIED**

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CHAIR

CERTIFIED CORRECT:

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CORPORATE OFFICER



**Minutes of a Special Meeting of the Capital Regional Hospital District Board  
Held Wednesday, March 27, 2013, in the Board room, 625 Fisgard Street, Victoria, BC**

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- PRESENT: Directors:** D. Blackwell (Chair), A. Bryson (Acting Chair), M. Alto, S. Brice, J. Cullington (for C. Hamilton), V. Derman, B. Desjardins, D. Fortin, R. Gramigna (for J. Ranns), L. Helps (for G. Young), J. Herbert (for N. Jensen), G. Hill, B. Isitt, P. Lake (for W. McIntyre), F. Leonard, M. Lougher-Goodey (for L. Cross), J. Mendum, C. McBride (for T. Daly), W. Milne, D. Murdock (for J. Brownoff), N. Wade (for L. Wergeland), and R. Wade (for L. Seaton)
- Staff:** R. Lapham, Chief Administrative Officer; J. Hull, J. Hull, Project Director, Core Area Treatment Project; L. Hutcheson, General Manager, Parks and Environmental Services; D. Lokken, General Manager, Corporate Services; M. Misek-Evans, Acting General Manager, Planning and Protective Services; T. Robbins, Acting General Manager, Integrated Water Services; A. Orr, Senior Manager, Corporate Communications; M. Rachwalski, Senior Manager, Health and Capital Planning Strategies; R. Sharma, Senior Manager, Finance Services; B. MacDonald, Manager Financial Planning and Treasury; S. Norton, Deputy Corporate Officer (Recorder)
- ABSENT: Directors:** D. Howe, M. Hicks

The Chair called the meeting to order at 12:07 pm.

**1. APPROVAL OF AGENDA**

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

**CARRIED**

**2. 2013 BUDGET BYLAW**

Director Hill advised that he would have to leave the meeting because of a potential conflict of interest as a member of the Island Corridor Foundation Society Board and Greater Victoria Harbour Authority Board. Directors Fortin and Desjardins advised that they would have to leave the meeting because of a potential conflict of interest as members of the Greater Victoria Labour Relations Board. There was a brief discussion as to whether there would be a conflict with respect to the Hospital District budget.

Chair Blackwell thanked Director Hill for his work as Hospital Board Chair from 2009 to 2012. The Hospital Board gave him a round of applause.

Directors Fortin, Desjardins and Hill left the meeting at 12:12 pm.

**MOVED** by Director Leonard, **SECONDED** by Director Milne,  
That Bylaw No. 375 cited as "Annual Budget Bylaw, 2013" be introduced and read a first and second time.

**CARRIED**

**MOVED** by Director Leonard, **SECONDED** by Director Milne,  
That Bylaw No. 375 be read a third time.

**CARRIED**

**MOVED** by Director Leonard, **SECONDED** by Director Milne,  
That Bylaw No. 375 be adopted.

**CARRIED**

**3. ADJOURNMENT**

**MOVED** by Director Leonard, **SECONDED** by Director Milne,  
That the meeting be adjourned at 12:13 pm.

**CARRIED**

\_\_\_\_\_  
CHAIR

CERTIFIED CORRECT:

\_\_\_\_\_  
CORPORATE OFFICER



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ITEM 5.1

**Planning, Transportation and Protective Services Committee's Report**

**Victoria, BC March 27, 2013**

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

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

**1. 2013 Minor Capital Projects – Capital Borrowing Bylaw 158, 2013 (PPS/HFP 2013-04)**

That the recommended minor capital projects listed in Appendix A totaling \$3.75M be approved based on:

- a. \$2.0M expensed from the current requisition and prior year surplus; and,
- b. CRD Bylaw No. 374, "Capital Regional Hospital District Capital Bylaw No. 158, 2013" to borrow \$1,750,000 with a financing term of five years.

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

**REPORT TO PLANNING, TRANSPORTATION AND PROTECTIVE SERVICES COMMITTEE  
MEETING OF WEDNESDAY, MARCH 27, 2013**

**SUBJECT     2013 Minor Capital Projects – Capital Borrowing Bylaw 158, 2013**

**ISSUE**

To approve Capital Expenditure and Borrowing Bylaw No. 158, 2013 authorizing the Capital Regional Hospital District's (CRHD) 2013 expenditures towards Vancouver Island Health Authority (VIHA) minor capital projects.

**BACKGROUND**

CRHD shares the cost (40%) with the Ministry of Health (60%) of VIHA minor capital projects valued between \$100,000 and \$2,000,000. These projects involve additions and improvements to existing healthcare facilities such as replacement of aging or failed building systems or components, renovations or upgrades to accommodate changes in service delivery, and responding to technology changes.

The 2013-2022 Board approved CRHD Capital Plan and 2013 operating budget allocates \$3.75M toward minor capital projects. This amount (\$3.75M) represents an annual minor capital funding ceiling imposed by CRHD in 2011, reduced from an annual average of \$5M in prior years. The CRHD Capital Plan also transitions from debt servicing to expensing all minor capital commitments by 2016, based on the schedule in Table 1. According to this schedule, a capital borrowing bylaw is required to authorize the \$1.75M debt service contribution for 2013.

**Table 1**

**Schedule to Transition Minor Capital Expenditures from Debt Servicing to Expensing**

Fiscal Year	Debt*	Expense*	Total Contribution*
2013	\$1.75	\$2.0	\$3.75
2014	\$1.75	\$2.0	\$3.75
2015	\$0.75	\$3.0	\$3.75
2016		\$3.75	\$3.75

\*Millions

Following detailed discussions with VIHA Capital Planning staff, the attached list of new and previously approved projects (Appendix A) is recommended for approval. The 2013 cash flow for previously committed projects is \$2,598,835 and for new projects is \$1,151,165.



**ALTERNATIVES**

1. Approve the recommended minor capital projects listed in Appendix A totalling \$3.75M based on:
  - a. \$2.0M expensed from the current requisition and prior year surplus; and,
  - b. CRD Bylaw No. 374, "Capital Regional Hospital District Capital Bylaw No. 158, 2013" to borrow \$1,750,000 with a financing term of five years.
  
2. Approve 2013 funding of \$2,598,835 for previously approved projects only and not approve \$1,151,165 in funding for new minor capital projects, based on:
  - a. \$2.0M expensed from the current requisition and prior year surplus; and,
  - b. A revised CRD Bylaw No. 374, "Capital Regional Hospital District Capital Bylaw No. 158, 2013" to borrow \$598,835 with a financing term of five years.

**FINANCIAL IMPLICATIONS**

Alternative 1: This Alternative would allow VIHA to undertake needed new improvements to healthcare facilities in the region, leverage new Ministry of Health capital funding, and honor the CRHD's obligation to projects already underway. This funding reflects approval of the current year cash flow for 2013 minor capital projects. A future cash flow commitment of \$1,882,419 has been established in the Capital Plan to address completion of the new projects. Table 2 illustrates the financial implications of approving CRHD Bylaw 158.

<b>TABLE 2: Borrowing Implications</b>			
CRHD Share	Borrowing Term	Annual charge against 2013 assessed residential value (\$523,386)	Annual charge per \$100,000 of assessed residential value
\$1,750,000	5 years <sup>1</sup>	\$2.12	\$0.41

<sup>1</sup>Based on 3.5% interest rate

Alternative 2: This Alternative would allow the CRHD to honor its obligation to projects already underway but not allow VIHA to undertake additional needed projects. The CRHD would be unable to leverage 60% funding from the Ministry of Health. Table 3 illustrates the financial implications of approving an amended CRHD Bylaw 158 based on funding ongoing projects only.

<b>TABLE 3: Borrowing Implications</b>			
CRHD Share	Borrowing Term	Annual charge against 2013 assessed residential value (\$523,386)	Annual charge per \$100,000 of assessed residential value
\$598,835	5 years <sup>1</sup>	\$0.73	\$0.14

<sup>1</sup>Based on 3.5% interest rate

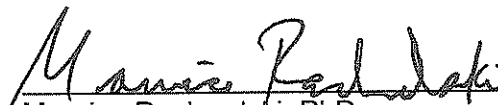
**CONCLUSION**


Minor capital projects are critical to VIHA maintaining the quality and functional capacity of its healthcare facilities in the region. The CRHD 2013 operating budget accommodates \$3.75M in cash flow for the CRHD's obligation to minor capital projects already underway, as well as to undertake new priority projects identified by VIHA. This \$3.75M represents an annual minor capital funding ceiling imposed by the CRHD in 2011, reduced from an average of \$5M annually in previous years.


**RECOMMENDATION:**

That the Planning, Transportation and Protective Services Committee recommend that the Capital Regional Hospital District Board:

1. Approve the recommended minor capital projects listed in Appendix A totalling \$3.75M based on:
  - a. \$2.0M expensed from the current requisition and prior year surplus; and,
  - b. CRD Bylaw No. 374, "Capital Regional Hospital District Capital Bylaw No. 158, 2013" to borrow \$1,750,000 with a financing term of five years.

  
Maurice Rachwalski, PhD  
Senior Manager  
Health and Capital Planning Strategies

  
Marg Mitek-Evans, MCIP, RPP  
Acting General Manager  
Planning and Protective Services  
Concurrence

  
Robert Lapham, MCIP, RPP  
Chief Administrative Officer  
Concurrence

MR: cln

Attachment: 1

APPENDIX A

List of 2013 VIHA Minor Capital Projects  
 (Valued between \$100,000 and \$2M)

PREVIOUSLY APPROVED PROJECTS

Facility Name	Project Description	Total Cost	CRHD Share	CRHD 2013 Cash Flow
QACCH	Upgrade Ledger Security to expand card access system, provide additional security measures and modify egress route	\$200,000	\$80,000	\$12,000
VGH	Expansion of Stroke Rapid Assessment Unit to create a more efficient and functional outpatient clinic space	\$900,000	\$360,000	\$90,000
VGH	Upgrade safe room on 4North to current acute care hospital standards	\$200,000	\$80,000	\$40,000
RJH	Replacement of aged redundant fire alarm system for which parts are no longer available	\$1,424,000	\$569,600	\$249,600
RJH	Install dedicated air exchange system in Clinic 6 operating rooms to meet Main OR standards	\$1,854,000	\$741,600	\$495,595
VGH	Replace aged main vault breakers that are at high risk of failure and parts no longer available	\$750,000	\$300,000	\$60,000
GRH	Replace main electrical transformer which is showing signs of water intrusion and is at high risk of failure	\$500,000	\$200,000	\$160,000
RJH	Replacement of pumps, valves, condensate tank and controls support the boilers	\$1,850,000	\$740,000	\$374,000
GRH	Replace generator which has lasted beyond life expectancy; estimate includes upgrading transfer switches and breakers	\$600,000	\$240,000	\$168,000
VGH	Phase II to replace second chiller that has lasted beyond expected life (28 years old)	\$772,500	\$309,000	\$249,000
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	\$283,520
GRH	Modernization and overhaul of elevators to extend life	\$927,927	\$371,171	\$68,000
SPH	Replace oldest part of ECU roof	\$550,000	\$220,000	\$20,000
VGH	Bumpless Power (Switch Bypass) installation to prevent power interruptions to hospital during generator testing	\$200,000	\$80,000	\$28,000
SPH	HVAC System Upgrade	\$1,231,200	\$492,480	\$80,000
VSI	Sewage - CRD Compliance Bylaw 2922 Phase III	\$1,470,000	\$588,000	\$101,120
Glengarry	Elevator Upgrade	\$700,000	\$280,000	\$120,000
<b>Total for Previously Approved Projects</b>		<b>\$15,629,627</b>	<b>\$6,251,851</b>	<b>\$2,598,835</b>

2013 NEW PROJECTS

Facility Name	Project Description	Total Cost	CRHD Share	CRHD 2013 Cash Flow
RJH	Upgrade to head wall systems which are failing	\$900,000	\$360,000	\$180,000
RJH	Upgrade Medical Gas Alarm Panels in the Diagnostic & Treatment Centre	\$344,177	\$137,671	\$88,000
VGH	Remove floor humps in patient rooms to address safety concerns	\$750,000	\$300,000	\$300,000
Aberdeen	Renovations to develop a south island hub for residential care medication packaging	\$500,000	\$200,000	\$140,000
SPH	Upgrade soiled utility rooms to meet infection control standards	\$440,000	\$176,000	\$90,244
VGH	Develop a negative pressure room in medicine unit	\$286,814	\$114,726	\$86,921
RJH	Expansion of ICU bed capacity for critically ill patients	\$275,000	\$110,000	\$110,000
VGH	Expansion of equipment depot to meet demand	\$170,000	\$68,000	\$68,000
RJH	Redevelop former patient care area in Memorial Pavilion for alternate uses	\$1,000,000	\$400,000	\$88,000
<b>Total for New Projects</b>		<b>\$4,665,991</b>	<b>\$1,866,396</b>	<b>\$1,151,165</b>

<b>Total for all Minor Capital Projects</b>		<b>\$20,295,518</b>	<b>\$8,118,247</b>	<b>\$3,750,000</b>
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**CAPITAL REGIONAL HOSPITAL DISTRICT BYLAW NO. 374**

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**CAPITAL EXPENDITURE & BORROWING BYLAW  
BYLAW NO. 158, 2013**

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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 **\$1,750,000** 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 five 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. 158, 2013**.

READ A FIRST TIME THIS	DAY OF	, 20XX.
READ A SECOND TIME THIS	DAY OF	, 20XX.
READ A THIRD TIME THIS	DAY OF	, 20XX.
ADOPTED THIS	DAY OF	, 20XX.

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Chairperson

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Corporate Officer

**SCHEDULE "A"**

**Bylaw No. 374**

**CAPITAL REGIONAL HOSPITAL DISTRICT**

**CAPITAL EXPENDITURE**

**BYLAW NO 158, 2013**

<b>Name of Facility</b>	<b>Project or Equipment Description</b>	<b>Project Number</b>	<b>Amount covered by CRHD Bylaw</b>	<b>Amount covered by CRHD Requisition</b>	<b>Amount covered by Province (60%)</b>	<b>Total 2013 Minor Capital Projects Cashflow</b>
Vancouver Island Health Authority (South)	Funding for 2013 Minor Capital Projects	C158-13-01	\$1,750,000	\$ 2,000,000	\$5,625,000	\$9,375,000
<b>Total:</b>			<b>\$1,750,000</b>	<b>\$ 2,000,000</b>	<b>\$ 5,625,000</b>	<b>\$ 9,375,000</b>