



## Notice of Meeting and Meeting Agenda Capital Regional Hospital District Board

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Wednesday, July 13, 2022

1:05 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

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The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

### 1. TERRITORIAL ACKNOWLEDGEMENT

### 2. APPROVAL OF THE AGENDA

### 3. ADOPTION OF MINUTES

#### 3.1. [22-453](#) Minutes of the May 11, 2022 Capital Regional Hospital District Board

**Recommendation:** That the minutes of the Capital Regional Hospital District Board meeting of May 11, 2022 be adopted as circulated.

**Attachments:** [Minutes - May 11, 2022](#)

### 4. REPORT OF THE CHAIR

### 5. PRESENTATIONS/DELEGATIONS

*The public are welcome to attend CRD Board meetings in-person.*

*Delegations will have the option to participate electronically. Please complete the online application for "Addressing the Board" on our website and staff will respond with details.*

*Alternatively, you may email your comments on an agenda item to the CRD Board at [crdboard@crd.bc.ca](mailto:crdboard@crd.bc.ca).*

### 6. CONSENT AGENDA

### 7. ADMINISTRATION REPORTS

### 8. REPORTS OF COMMITTEES

8.1. [22-399](#) Motion with Notice: Lady Minto Hospital Emergency Room Cost Overrun  
(Director Holman)

**Recommendation:** [At the July 6, Hospitals and Housing Committee meeting, the following motion with notice was passed with a request that staff include supplemental information, including the financial implications, of an additional contribution of \$738,000 at the Hospital District Board meeting (see attached Supplemental):]  
The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:  
That the Capital Regional Hospital District contribute 30% of the unforeseen cost overrun for the new Lady Minto Hospital Emergency Room to a maximum of \$738,000.  
(WA)

**Attachments:** [Supplemental: Lady Minto Hospital ER Cost Overrun](#)

9. BYLAWS

10. NOTICE(S) OF MOTION

11. NEW BUSINESS

12. ADJOURNMENT

**Voting Key:**

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

**NWP - Non-weighted vote of participants (as listed)**

**WA - Weighted vote of all Directors**

**WP - Weighted vote of participants (as listed)**

## Meeting Minutes

### Capital Regional Hospital District Board

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Wednesday, May 11, 2022

1:05 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

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**PRESENT:**

Directors: D. Blackwell (Chair), R. Mersereau (Acting Chair), P. Brent (for D. Howe), S. Brice, B. Desjardins, L. Helps, F. Haynes, M. Hicks (EP), G. Holman, B. Isitt, J. Loveday, R. Martin, C. McNeil-Smith, K. Murdoch (EP), G. Orr, C. Plant, J. Ranns, L. Seaton, M. Tait (EP), N. Taylor (EP), K. Williams, R. Windsor (EP), G. Young

Staff: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; L. Hutcheson, General Manager, Parks and Environmental Services; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services; T. Robbins, General Manager, Integrated Water Services; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk (Recorder)

EP - Electronic Participation

Regrets: Directors Howe, Screech

The meeting was called to order at 1:12 pm.

#### 1. TERRITORIAL ACKNOWLEDGEMENT

A Territorial Acknowledgement was provided in the preceding meeting.

#### 2. APPROVAL OF THE AGENDA

**MOVED** by Director Brice, **SECONDED** by Director Mersereau,  
That the agenda for the May 11, 2022 Session of the Capital Regional Hospital District Board be approved.

**CARRIED**

#### 3. ADOPTION OF MINUTES

- 3.1. [22-249](#) Minutes of the March 9, 2022 and March 16, 2022 Capital Regional Hospital District Board Meetings

**MOVED** by Director Mersereau, **SECONDED** by Director Desjardins,  
That the minutes of the Capital Regional Hospital District Board meetings of March 9, 2022 and March 16, 2022 be adopted as circulated.

**CARRIED**

#### 4. REPORT OF THE CHAIR

There were no Chair's remarks.

## 5. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

## 6. CONSENT AGENDA

There were no Consent Agenda items.

## 7. ADMINISTRATION REPORTS

There were no Administration Reports.

## 8. REPORTS OF COMMITTEES

- 8.1. [22-179](#) Capital Regional Hospital District 2021 Audit Findings Report and Audited Financial Statements

**MOVED by Director Loveday, SECONDED by Director Mersereau,  
That the Capital Regional Hospital District 2021 Audited Financial Statements be approved.  
CARRIED**

- 8.2. [22-293](#) Oak Bay Lodge Demolition Update and Approval of Amended Capital Bylaw

K. Lorette spoke to Item 8.2.

Discussion ensued regarding unforeseeable circumstances that could affect the demolition.

**MOVED by Director Loveday, SECONDED by Director Brice,  
1) That the revised project budget be approved.  
2) That the Capital Regional Hospital District 2022-2031 Ten year Capital Plan be amended and approved as submitted.  
CARRIED**

**MOVED by Director Loveday, SECONDED by Director Desjardins,  
3) That Bylaw No. 411, "Capital Regional Hospital District Capital Bylaw No. 178, 2021, Amendment No. 1, 2022" be read a first, second and third time.  
CARRIED**

**MOVED by Director Loveday, SECONDED by Director Desjardins,  
4) That Bylaw No. 411 be adopted.  
CARRIED**

## 9. BYLAWS

There were no bylaws for consideration.

## 10. NOTICE(S) OF MOTION

There were no Notice(s) of Motion.

**11. NEW BUSINESS**

There was no new business.

**12. ADJOURNMENT**

**MOVED** by Director Seaton, **SECONDED** by Director Mersereau,  
That the May 11, 2022 Capital Regional Hospital District Board meeting be  
adjourned at 1:19 pm.  
**CARRIED**

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**CHAIR**

**CERTIFIED CORRECT:**

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**CORPORATE OFFICER**

# Supplemental Information

## Capital Regional Hospital District

**Topic:** Lady Minto Hospital Emergency Room Cost Overrun

**Date:** July 13, 2022

**Prepared for:** CRHD Board

During the discussion on this item at the July 6, 2022 Hospital and Housing Committee, there was a request to include supplemental information on the historical context of the project and the financial implications of this request so that the Board could make an informed decision.

### Historical Context

- On October 14, 2020 the CRHD Board approved 3 million dollars for the Lady Minto Hospital Emergency Room Upgrade project.
- The project is unique in that it is a partnership between Island Health, the Lady Minto Hospital Foundation and the CHRD.
- Typically, CRHD cost shares 30 percent with Island Health on major Capital projects. On this project CRHD is cost sharing the capital with the Lady Minto Hospital Foundation. The CRHD has not previously cost shared with a Foundation. In this instance Island Health will provide operating resources to the completed facility but is not providing capital.
- CRHD's share of the total project cost was capped at \$3,000,000.
- The Board included adding a cap to the contribution due to concerns around cost escalation. The project has been included on Island Health's capital plan and was carried at a value of \$4.8 Million in the 2020 plan. After the schematic design was completed, the total project cost was updated to \$9.9 Million to reflect better cost estimates and include site preparation for a future imaging department to be added on to the Emergency Wing. The capital plan was subsequently updated in March 2021 to reflect a total project cost of \$10.34 Million.
- The request to provide additional funding for this project at this time needs to consider the October 14, 2020 board approved recommendation to cap the contribution to allow the project to be funded by the CRHD without Island Health included as a capital

partner. The cap was an important consideration in approval.

Financial Implications

- The board approved ten-year capital plan reflects a maximum contribution of \$3 million to the project and expenditures are planned for 2022 and 2023. The CRHD portion will be funded through debt.
- The impact on revenue of debt servicing the maximum contribution of \$3 million is estimated is as follows, using current MFA Indicative Rates:

<b>Max \$3M Contribution</b>	<b>2022</b>	<b>2023</b>	<b>Total Annual \$</b>
\$ Annual Cost	+\$0.2M	+\$0.5M	\$0.7M
% Increase Revenue	+0.5%	+1.5%	2.0%
\$ Cost/HH	+\$0.88	+\$2.77	\$3.65

*(MFA current indicative rate of 3.94%, amortized over 5 years based on CRHD Debt Guidelines)*

- Total cost of borrowing \$3 million is estimated to be \$0.4 million and \$2.28 per average household
- An **increase** to the maximum contribution from \$3 million by \$738,000 will result in CRHD contributing 29.2% of the project or \$3.7 million and will require amendment to the Capital Regional Hospital District Bylaw No. 409, Capital Expenditure and Borrowing Bylaw No. 183.
- The estimated impact on revenue of debt servicing a maximum contribution of \$3.7 million, assuming no change to expenditure timing of 2022 and 2023, is as follows:

<b>Max \$3.7M Contribution</b>	<b>2022</b>	<b>2023</b>	<b>Total Annual \$</b>
\$ Annual Cost	+\$0.2M	+\$0.7M	\$0.9M
% Increase Revenue	+0.5%	+2.0%	2.5%
\$ Cost/HH	+\$0.88	+\$3.67	\$4.55

*(MFA current indicative rate of 3.94%, amortized over 5 years based on CRHD Debt Guidelines)*

- Total cost of borrowing \$3.7 million is estimated to be \$0.5 million and \$2.87 per average household; an increase of \$0.1 million in costs of borrowing to fund the additional \$0.7 million.