



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

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Wednesday, March 15, 2023

1:00 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

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### Special Meeting - Final Budget

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. 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 at [www.crd.bc.ca/address](http://www.crd.bc.ca/address) no later than 4:30 pm two days before the meeting 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).*

#### 4. SPECIAL MEETING MATTERS-

##### 4.1. [23-088](#) Capital Regional Hospital District Bylaw No. 415: Annual Budget 2023

**Recommendation:** 1. That Bylaw No. 415, "Annual Budget Bylaw, 2023", be introduced and read a first, second and third time; and  
(WA)  
2. That Bylaw No. 415 be adopted.  
(WA, 2/3 on adoption)

**Attachments:** [Staff Report: CRHD Bylaw No. 415 Annual Budget 2023](#)  
[Presentation: CRHD 2023 Final Budget Bylaw No. 415](#)  
[Appendix A: Bylaw No. 415 Annual Budget 2023](#)  
[Appendix B: CRHD 2023 Provisional To Final](#)  
[Appendix C: CRHD 2023-2027 Projections](#)  
[Appendix D: CRHD 2023-2027 Reserve Projections](#)

4.2.      [23-197](#)      Amendment to the Capital Regional Hospital District 2023-2032 Ten Year Capital Plan

**Recommendation:**      That the Capital Regional Hospital District 2023-2032 Ten Year Capital Plan be amended and approved as submitted.  
(WA)

**Attachments:**      [Staff Report: Amendment to CRHD 2023-2032 Ten Year Capital Plan](#)  
[Appendix A: Amended CRHD 2023-2032 Ten Year Capital Plan](#)  
[Appendix B: Debt Servicing Impact of 2023-2032 Capital Plan](#)  
[Appendix C: Debt Svcing Cost/Avg 2023 Residential Assessment](#)

4.3.      [23-163](#)      The Summit at Quadra Village Capital Modifications - Approval of a Capital Bylaw

**Recommendation:**      1) That the recommended capital modifications totalling \$200,000 be approved and expensed from the Summit Management Reserve;  
(WA)  
2) That Bylaw No. 416, "Capital Regional Hospital District Capital Bylaw No. 186, 2023" be introduced and read a first, second, and third time; and  
(WA)  
3) That Bylaw No. 416 be adopted.  
(WA, 2/3 on adoption)

**Attachments:**      [Staff Report: Summit Capital Modifications-Approval Capital Bylaw](#)  
[Appendix A: Bylaw No. 416, "CRHD Bylaw No. 186, 2023"](#)

## 5. 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)**

**REPORT TO CAPITAL REGIONAL HOSPITAL DISTRICT BOARD  
MEETING OF WEDNESDAY, MARCH 15, 2023**

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**SUBJECT**      **Capital Regional Hospital District Bylaw No. 415: Annual Budget 2023**

**ISSUE SUMMARY**

This report summarizes final updates to the 2023 annual budget, and requests approval of Bylaw No. 415 regarding the Capital Regional Hospital District (CRHD) budget.

**BACKGROUND**

On September 21, 2022, the CRHD Board approved the 2023 provisional budget. Now, under the provisions of Section 23(5) of the *Hospital District Act*, the CRHD budget for the current year must be adopted by bylaw on or before March 31, 2023.

Once approved, subject to Section 25(1) of the *Hospital District Act*, on or before April 20 in each year, the CRHD will deliver to each member municipality a requisition amount required from that member for the calendar year.

The 2023 Annual Budget Bylaw, CRHD Bylaw No. 415, is included in Appendix A.

**ALTERNATIVES**

*Alternative 1*

1. That Bylaw No. 415, "Annual Budget Bylaw, 2023", be introduced and read a first, second and third time; and
2. That Bylaw No. 415 be adopted.

*Alternative 2*

1. That Bylaw No. 415, "Annual Budget Bylaw, 2023", be introduced and read a first and second time;
2. That Bylaw No. 415 be amended as directed;
3. That Bylaw No. 415 be read a third time; and
4. That Bylaw No. 415 be adopted.

**IMPLICATIONS**

*Financial Implications*

The bylaw includes detailed estimates of expenses, revenues, annual surplus and planned annual capital expenditures. Expenses include grants, debt servicing, property management and administration costs. Table 1 summarizes the year over year change in requisition and the estimated cost per household.

**Table 1 – Change in Requisition Year over Year**

Description	2023 Final	2022 Final	\$ Change	% Change
Requisition (\$M)	\$26.5	\$26.5	-	-
Cost / Average Household	\$139.86	\$140.50	(\$0.64)	(0.5%)

The final 2023 CRHD requisition is \$26.5 million, with no increase from 2022. Based on timing of debt issues to pay for capital grants and capital expenditures, no increase in requisition is required. However, requisition in the five-year plan in Appendix C is expected to increase each year between 2024 through 2027.

The cost per average residential household is a theoretical calculation that provides an indicative cost to individual households in the region. The actual cost per household will differ from this estimate based on the individual property assessments. This calculation is most directly impacted by changes in folios and assessed values. The cost per average residential household decreased slightly by (\$0.64) or (0.5%).

Appendix C includes 2023 to 2027 Future Budget Projections, based on the revisions to the final budget for bylaw purposes.

### **Updates Following Provisional Budget Approval**

Since provisional approval, the budget has been revised to reflect updated assumptions, the 2022 year-end results and payments in lieu of taxes (PILT). Appendix B details all changes since provisional approval.

### **Expenses**

Since provisional approval, the total change in operating expenses was an overall decrease of (\$0.1) million or (0.3%). Table 2 summarizes the changes.

**Table 2: Changes in Operating Expenses (\$ millions)**

Expense Type	2023 Final	2023 Provisional	\$ Change	% Change
Operations	2.1	2.0	0.1	5.0%
Debt Servicing	20.1	20.4	(0.3)	(1.5%)
Capital Grants	3.0	3.0	-	-
Transfers to Reserves	7.5	7.4	0.1	1.4%
<b>Total</b>	<b>\$32.7</b>	<b>\$32.8</b>	<b>(\$0.1)</b>	<b>(0.3%)</b>

The change consisted of a decrease in debt servicing of (\$0.3) million and offsetting increases of \$0.1 million in operations and \$0.1 million in transfers to reserves.

The decrease in debt servicing costs is a result of changes to the 2023 to 2032 Ten-Year Capital Plan since approval by Board on September 21, 2022. Capital plan changes are a result of the Island Health prioritization process and the most significant changes to the capital plan include deferral of 2023 cash flows to 2024 to 2025 for the following projects:

- New Long-Term Care development project at Royal Bay (\$3.5 million)
- High Acuity Unit project at the Royal Jubilee Hospital (\$1.7 million)
- Inpatient and Outpatient Rehabilitation Program at the Victoria General Hospital (\$1.1 million)

Increases in operating expense is primarily driven by increased costs in administration due to the settlement of the collective agreement and associated changes to exempt employee wages. Transfers to the Debt Management Reserve have increased in order to reduce future borrowing and mitigate revenue requirements.

In Appendix A, Schedule B to the bylaw details planned capital expenditures by project and the related cost sharing commitment.

### **Operating Revenue**

The change in operating revenue was driven by changes in expenses and PILT. The changes are summarized in Table 3 below.

**Table 3: Changes in Revenue (\$ millions)**

Revenue Type	2023 Final	2023 Provisional	\$ Change	% Change
Tax Requisition	26.5	26.5	-	-
PILT	0.7	0.8	(0.1)	(12.5%)
Lease and Other Property Revenue	4.4	4.4	-	-
Other Revenue	0.7	0.7	-	-
Transfers in from Reserve	0.4	0.4	-	-
<b>Total</b>	<b>\$32.7</b>	<b>\$32.8</b>	<b>(\$0.1)</b>	<b>(0.3%)</b>

PILT are monies recovered from tax exempt parcels owned by federal, provincial and Crown agencies in the region. PILT payments can vary, as the requirement to pay is discretionary to the Minister, Lieutenant Governor and heads of Crown Corporations. PILT is budgeted at provisional based on prior year actuals and revised for final budget based on actuals received. PILT received since provisional was lower than estimated by (\$0.1) million or (12.5%).

### **Requisition**

Requisition did not change from provisional to final. However, with updated assessment information, the cost per average household decreased by (\$0.77). This is a result of increased assessment growth and increased folio growth over the prior year. The net result drives a decrease to the cost per average household from the provisional estimate. As previously shown in Table 1, the requisition has not changed over prior year, or since provisional budget approval.

**Table 4: Changes in Requisition (\$ millions)**

Description	2023 Final	2023 Provisional	\$ Change	% Change
Requisition (\$M)	\$26.5	\$26.5	-	-
\$ Cost / Average HH	\$139.86	\$140.63	(\$0.77)	(0.5%)

## Reserves

Under the *Hospital District Act*, Section 20(4), the CRHD is able to maintain reserve accounts. Table 5 summarizes the change in reserve opening balances from provisional to final for all existing accounts at December 31, 2022.

**Table 5: Changes in Reserves**

Description (\$ millions)	2022 Final Ending	2022 Provisional Ending	\$ Change	% Change
Administration and Feasibility Studies	1.7	1.0	0.7	70%
Non-Traditional Projects Reserve	1.1	1.1	-	-
Minor Capital Project Reserves	6.8	6.9	(0.1)	(1.4%)
Land Holdings Management Reserve	1.4	1.1	0.3	27.3%
Summit Management Reserve	0.9	0.9	-	-
RHFP* Program Reserve	10.4	10.3	0.1	1.0%
Debt Management Reserve	3.4	2.9	0.5	17.2%

\*Regional Housing First Program (RHFP)

Appendix D reflects the 2023 to 2027 future projections for all reserves based on these revised opening balances.

The change in the Administration and Feasibility Studies reserve was driven by year end surplus transfers to fund future studies planned for Oak Bay Lodge.

Minor Capital Project (MCP) reserves were reduced by (\$0.1) million due to timing of Island Health spending on eligible projects.

The Land Holdings Management Reserve increased by \$0.3 million primarily due to savings at the Oak Bay Lodge and Royal Bay sites. The Oak Bay Lodge demolition project completed in July 2022, resulting in savings of \$0.14 million on security, maintenance and utilities. Royal Bay realized savings of \$0.11 million due to the developer continuing to cover site costs until construction at the adjacent property is completed.

The Debt Management Reserve increased by \$0.5 million in response to revised timing of Island Health's capital priorities. The Debt Management Reserve will be used to help fund capital investments in years 2025 to 2027 while mitigating impact to requisition.

CRHD Bylaw No. 415 includes Schedule A and Schedule B. Schedule A reflects all changes over prior year, and payments in lieu of taxes. Schedule B reflects the 2023 estimated capital annual expenditures.

## **CONCLUSION**

The CRHD Board must adopt a bylaw for the annual budget each year by March 31. The attached bylaw includes the annual budget for 2023. The 2023 budget received provisional approval by the Board on September 21, 2022. The annual budget for 2023 has been prepared in alignment with

Board decisions and committee direction. Staff recommends approving the Annual Budget Bylaw, 2023, as presented.

**RECOMMENDATION**

1. That Bylaw No. 415, “Annual Budget Bylaw, 2023”, be introduced and read a first, second and third time; and
2. That Bylaw No. 415 be adopted.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENTS**

Presentation: CRHD Presentation  
Appendix A: CRHD Bylaw No. 415, inclusive of Schedules A and B  
Appendix B: Capital Regional Hospital District 2023 Provisional to Final Comparison  
Appendix C: Capital Regional Hospital District 2023–2027 Future Budget Projections  
Appendix D: Capital Regional Hospital District 2023-2027 Reserve Schedule



# Capital Regional Hospital District > 2023 Final Budget Bylaw

**Presentation to CRHD Board of Directors  
Wednesday March 15, 2023**



	2023 Final	2022 Final	H/(L) \$	H/(L) %
Requisition	26.5	26.5	-	-
Other	6.2	7.5	(1.3)	(17.3)
<b>Total Revenue</b>	<b>\$32.7M</b>	<b>\$34.0M</b>	<b>(\$1.3M)</b>	<b>(3.8%)</b>
Debt Servicing	20.1	20.8	(0.7)	(2.3)
Capital Grants	3.0	3.0	-	-
Other	9.6	10.2	(0.6)	(5.9)
<b>Total Expenses</b>	<b>\$32.7M</b>	<b>\$34.0M</b>	<b>(\$1.3M)</b>	<b>(3.8%)</b>

## Revenue

- Requisition will not increase from prior year primarily a result of deferral of several capital projects to 2024
- Other revenue decreased as a result of PILT, and fewer reserve funds being required for feasibility studies and property management

## Expense

- Debt servicing costs decrease as a result of maturing issuances exceeding planned new issuances
- Other expenses net decrease driven by Island Health assuming responsibility of feasibility costs for Royal Bay and lower property management at Oak Bay Lodge following demolition. Decreases offset by increased transfers to debt management reserve to reduce future financing

	2023 Final	2023 Prelim.	H/(L) \$	H/(L) %
Requisition	26.5	26.5	-	-
Other	6.2	6.3	(0.1)	(1.6%)
<b>Total Revenue</b>	<b>\$32.7M</b>	<b>\$32.8M</b>	<b>(\$0.1M)</b>	<b>(0.3%)</b>
Debt Servicing	20.1	20.4	(0.3)	(1.5%)
Capital Grants	3.0	3.0	-	-
Other	9.6	9.4	0.2	2.1%
<b>Total Expenses</b>	<b>\$32.7M</b>	<b>\$32.8M</b>	<b>(\$0.1M)</b>	<b>(0.3%)</b>

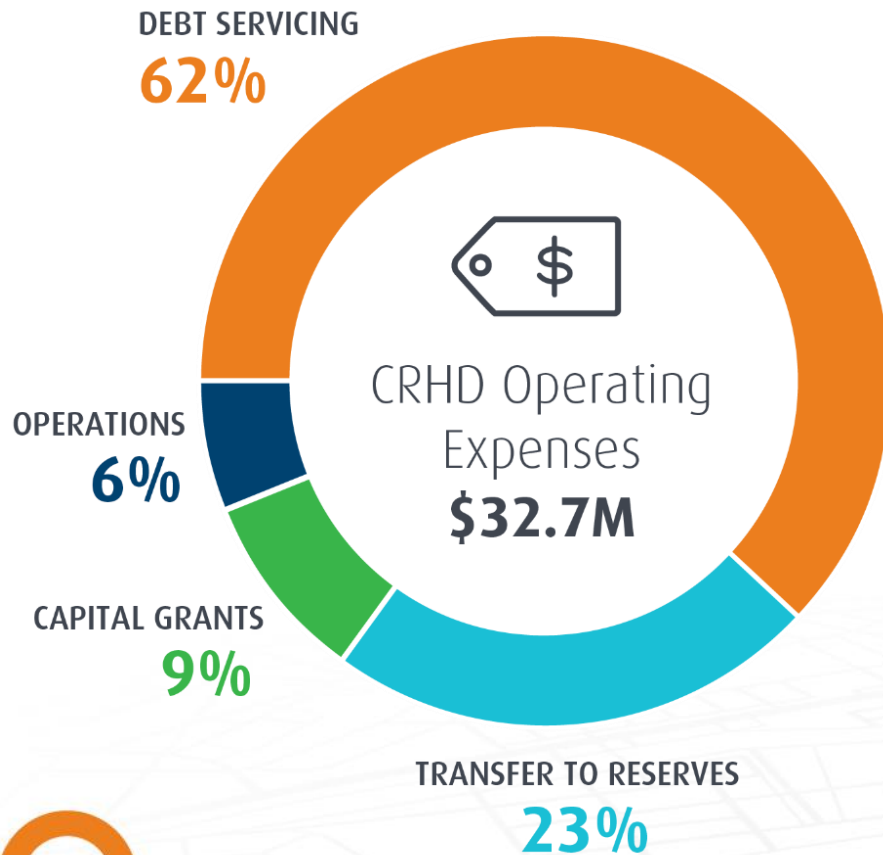
## Revenue

- Other revenue decreased as a result of PILT

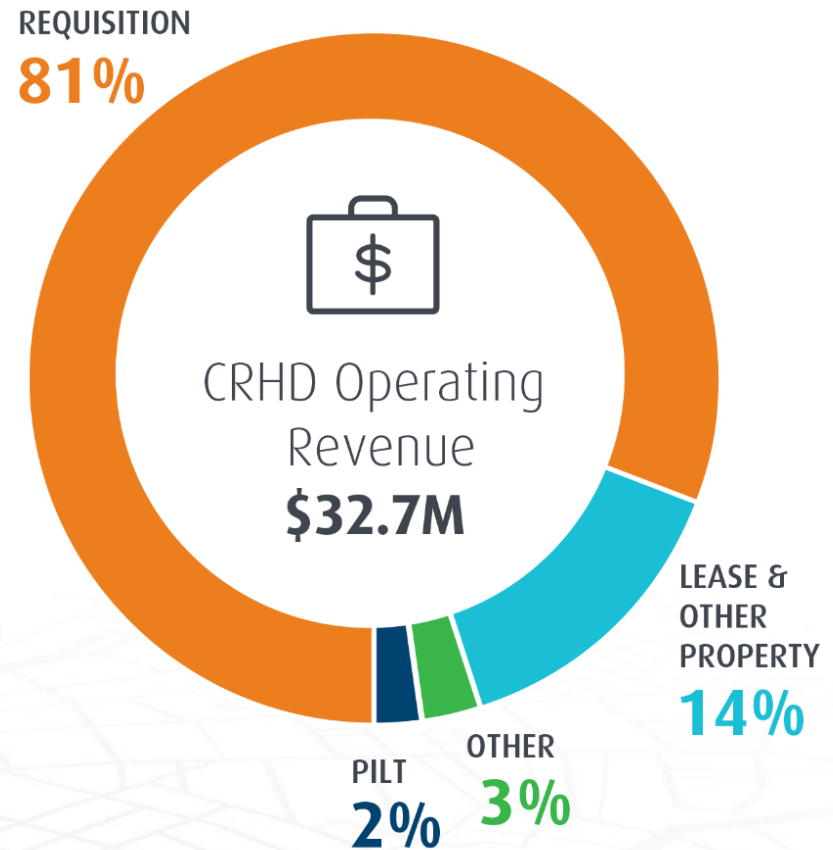
## Expense

- Debt servicing decreased due to capital plan amendments and revised timing of project cash flows
- Increase in other expense is driven by transfers to debt management reserve to reduce future financing

## EXPENDITURES



## SOURCES OF REVENUE



## EXPENDITURES

CRHD PROJECTS  
(RHFP &  
REPLACEMENTS)

50%

CRHD Ownership / CRHD Prioritized



CRHD Capital  
Expenditures  
**\$21.1M**

MAJOR CAPITAL  
GRANTS

18%

Island Health Prioritized

MCP & CAPITAL  
EQUIPMENT  
GRANTS

32%

## SOURCES OF REVENUE

RESERVE  
50%



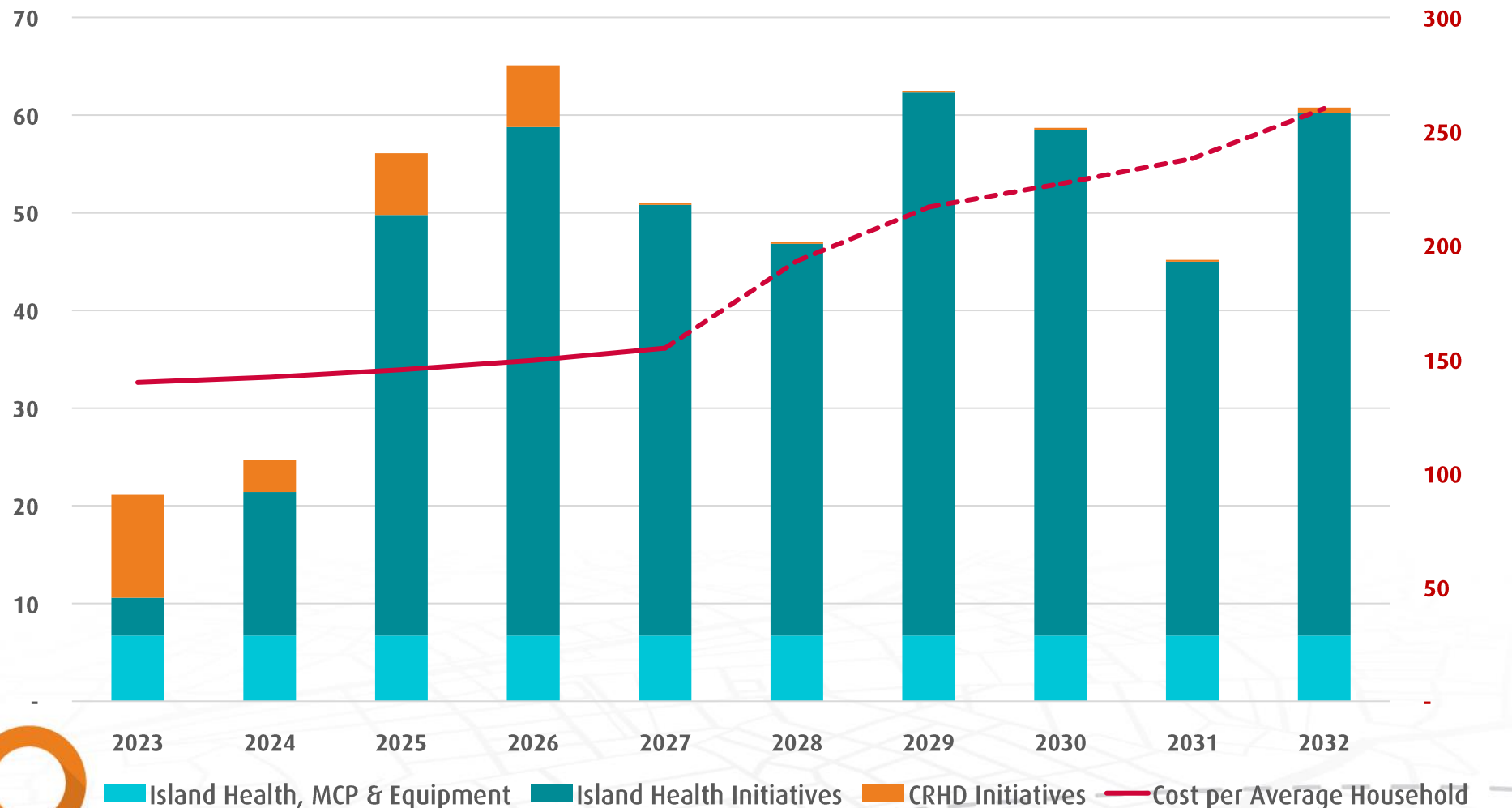
CRHD Capital  
Funding  
**\$21.1M**

DEBT  
18%

CASH  
32%

## CRHD COST SHARE | 10-YEAR CAPITAL PLAN

CRHD Share \$M's



CORPORATE OFFICER

## Schedule A

### CAPITAL REGIONAL HOSPITAL DISTRICT 2023 FINAL BUDGET

	2022 BOARD BUDGET	2023 ANNUAL BUDGET	2022-2023 BUDGET VARIANCE
<b><u>REVENUE</u></b>			
Tax Requisition Total	26,460,836	26,462,552	1,716
Payments in Lieu of Taxes	834,368	699,157	(135,211)
Lease and Other Property Revenue	4,393,178	4,419,813	26,635
Debt Reserve Fund Recovery	437,420	603,000	165,580
Interest Earnings	75,000	100,000	25,000
Surplus MCP Expiry	71,335	-	(71,335)
Transfer From Reserve	1,678,253	394,052	(1,284,201)
<b>TOTAL REVENUE</b>	<b>33,950,389</b>	<b>32,678,573</b>	<b>(1,271,816)</b>
<b><u>EXPENDITURES</u></b>			
Debt Servicing	20,842,352	20,131,582	(710,770)
Capital Equipment Grants	2,955,000	2,955,000	-
Administration	1,010,437	1,105,663	95,226
Studies	1,368,287	427,653	(940,634)
Property Management	664,026	524,723	(139,303)
<b>Total Expense</b>	<b>26,840,102</b>	<b>25,144,621</b>	<b>(1,695,481)</b>
<b>Transfer to Reserve</b>			
Transfer to Minor Capital Projects Reserve	3,750,000	3,750,000	-
Transfer to Debt Management Reserve	2,825,000	3,320,000	495,000
Transfer to Land Holdings Management Reserve	200,000	200,000	-
Transfer to Summit Management Reserve	335,287	263,952	(71,335)
<b>Total Transfer to Reserve</b>	<b>7,110,287</b>	<b>7,533,952</b>	<b>423,665</b>
<b>TOTAL EXPENDITURES</b>	<b>33,950,389</b>	<b>32,678,573</b>	<b>(1,271,816)</b>
<b>Total Net Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Schedule B

### CAPITAL REGIONAL HOSPITAL DISTRICT 2023 CAPITAL EXPENDITURES

Capital Borrowing Bylaw#	Project Description	Cost Share %	Total CRHD Share of Project Budget	2023 Funding
	<u>Island Health Initiatives</u>			
183	Emergency Department (Lady Minto) <sup>1</sup>	29%	3,738,000	<b>2,712,909</b>
185	High Acuity Unit (VGH)	30%	1,018,155	<b>227,719</b>
TBD	High Acuity Unit (RJH)	30%	4,695,000	<b>75,000</b>
TBD	New Long Term Care (306 beds at Royal Bay)	30%	67,108,200	<b>356,100</b>
TBD	Inpatient & Outpatient Rehabilitation Program (GRH)	30%	2,430,000	<b>90,000</b>
TBD	Medical Device Reprocessing Department Expansion (VGH)	30%	1,272,000	<b>18,000</b>
TBD	Child Youth Mental Health Stabilization Unit (VGH)	30%	2,250,000	<b>135,000</b>
TBD	1.5T MRI replacement (RJH) <sup>2</sup>	30%	913,875	<b>193,875</b>
TBD	Relocate MHSU ACT Teams <sup>2</sup>	30%	2,000,000	<b>60,000</b>
			<b>85,425,230</b>	<b>3,868,603</b>
	<u>CRHD Initiatives</u>			
TBD	Regional Housing First Program Contribution	100%	10,000,000	<b>10,000,000</b>
160	Summit Scheduled Capital Replacements	100%	360,000	<b>360,000</b>
TBD	Summit Chiller Modifications	100%	200,000	<b>200,000</b>
			<b>10,560,000</b>	<b>10,560,000</b>
Capital Expenditure Bylaw#	Project Description	Cost Share %	Total CRHD Share	2023 Funding
TBD	Sec 20 - 2023 Minor Capital Projects	40%	3,750,000	<b>3,750,000</b>
TBD	Sec 20 - 2023 Capital Equipment Projects	100%	2,955,000	<b>2,955,000</b>
			<b>6,705,000</b>	<b>6,705,000</b>
	<b>Total 2023 Capital Expenditures</b>		<b>102,690,230</b>	<b>21,133,603</b>

<sup>1</sup>Project will be primarily funded by the Hospital Foundation; the CRHD contribution is capped at \$3.738 million

<sup>2</sup>New to the Capital Plan in 2023



## APPENDIX B

### CAPITAL REGIONAL HOSPITAL DISTRICT 2023 Provisional to Final Budget Comparison

	2023 PROVISIONAL BUDGET	2023 FINAL BUDGET	Variance Increase/(Decrease) BUDGET
<b><u>REVENUE</u></b>			
Tax Requisition Total	26,468,700	26,462,552	(6,148)
Payments in Lieu of Taxes	834,368	699,157	(135,211)
Lease and Other Property Revenue	4,393,178	4,419,813	26,635
Debt Reserve Fund Recovery	603,000	603,000	-
Interest Earnings	85,000	100,000	15,000
Surplus Previous Year	39,730	-	(39,730)
Transfer From Reserve	409,789	394,052	(15,737)
<b>TOTAL REVENUE</b>	<b>32,833,764</b>	<b>32,678,573</b>	<b>(155,190)</b>
<b><u>EXPENDITURES</u></b>			
Debt Servicing	20,426,112	20,131,582	(294,530)
Capital Equipment Grants	2,955,000	2,955,000	-
Administration	1,097,222	1,105,663	8,441
Studies	427,653	427,653	-
Property Management	513,825	524,723	10,899
<b>Total Expense</b>	<b>25,419,812</b>	<b>25,144,621</b>	<b>(275,190)</b>
<b>Transfer to Reserve</b>			
Transfer to Minor Capital Projects Reserve	3,750,000	3,750,000	-
Transfer to Debt Management Reserve	3,200,000	3,320,000	120,000
Transfer to Land Holdings Management Reserve	200,000	200,000	-
Transfer to Summit Management Reserve	263,952	263,952	-
<b>Total Transfer to Reserve</b>	<b>7,413,952</b>	<b>7,533,952</b>	<b>120,000</b>
<b>TOTAL EXPENDITURES</b>	<b>32,833,764</b>	<b>32,678,573</b>	<b>(155,190)</b>
<b>Total Net Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Requisition change over prior year \$ increase/(decrease)	7,864	1,716	(6,148)
Requisition change over prior year % increase/(decrease)	0.0%	0.0%	0.0%
Tax impact on average residence	140.63	139.86	-0.77
Tax impact on \$100,000 of converted assessments	14.07	12.53	-1.54
Tax requisition per average residence increase/(decrease)	0.0%	-0.5%	-0.5%

## APPENDIX C

### CAPITAL REGIONAL HOSPITAL DISTRICT 2023 - 2027 FUTURE BUDGET PROJECTIONS

	2023 FINAL BUDGET	2024 BUDGET	2025 BUDGET	2026 BUDGET	2027 BUDGET
<b>REVENUE</b>					
Tax Requisition Total	26,462,552	26,900,903	27,516,449	28,283,928	29,315,426
Payments in Lieu of Taxes	699,157	699,157	699,157	699,157	699,157
Lease and Other Property Revenue	4,419,813	4,383,200	4,358,178	4,343,178	4,338,178
Debt Reserve Fund Recovery	603,000	838,000	391,000	73,000	189,000
Interest Earnings	100,000	100,000	100,000	100,000	100,000
Transfer From Reserve	394,052	394,447	134,844	1,499,087	3,287,557
<b>TOTAL REVENUE</b>	<b>32,678,573</b>	<b>33,315,706</b>	<b>33,199,628</b>	<b>34,998,350</b>	<b>37,929,317</b>
<b>EXPENDITURES</b>					
Debt Servicing	20,131,582	18,223,938	21,872,688	26,204,379	29,117,424
Capital Equipment Grants	2,955,000	2,955,000	2,955,000	2,955,000	2,955,000
Administration	1,105,663	1,130,311	1,030,108	1,052,199	1,047,302
Studies	427,653	300,000	300,000	300,000	300,000
Property Management	524,723	492,505	327,880	272,820	295,639
<b>Total Expense</b>	<b>25,144,621</b>	<b>23,101,754</b>	<b>26,485,676</b>	<b>30,784,398</b>	<b>33,715,365</b>
<b>Transfer to Reserve</b>					
Transfer to Minor Capital Projects Reserve	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Transfer to Debt Management Reserve	3,320,000	6,000,000	2,500,000	-	-
Transfer to Land Holdings Management Reserve	200,000	200,000	200,000	200,000	200,000
Transfer to Summit Management Reserve	263,952	263,952	263,952	263,952	263,952
<b>Total Transfer to Reserve</b>	<b>7,533,952</b>	<b>10,213,952</b>	<b>6,713,952</b>	<b>4,213,952</b>	<b>4,213,952</b>
<b>TOTAL EXPENDITURES</b>	<b>32,678,573</b>	<b>33,315,706</b>	<b>33,199,628</b>	<b>34,998,350</b>	<b>37,929,317</b>
Tax impact on 2023 revised average residence (\$1,115,965)	139.86	142.18	145.43	149.49	154.94
Tax impact on \$100,000 of 2023 completed assessments	12.53	12.74	13.03	13.40	13.88
Tax requisition increase/-decrease	0.0%	1.7%	2.3%	2.8%	3.6%

APPENDIX D

CAPITAL REGIONAL HOSPITAL DISTRICT  
RESERVE SCHEDULE 2023 - 2027\*

		Budget Year				
	2022 Actual	2023	2024	2025	2026	2027
<b><u>OPERATING:</u></b>						
<b>Administration &amp; Feasibility Studies Reserve</b>						
<b>- to be spent on future studies or special projects</b>						
Beginning Balance	1,557,997	1,684,859	1,560,859	1,440,859	1,440,859	1,440,859
Surplus transfer from HCPS	126,862	-	-	-	-	-
Transfer to Operating	-	(124,000)	(120,000)	-	-	-
	1,684,859	1,560,859	1,440,859	1,440,859	1,440,859	1,440,859
<b><u>CAPITAL GRANTS:</u></b>						
<b>Non-Traditional Projects Reserve</b>						
<b>- non-profit healthcare facilities capital grant funding</b>						
Beginning Balance	1,054,874	1,054,874	1,054,874	1,054,874	1,054,874	1,054,874
Transfer from Operating	-	-	-	-	-	-
Transfer to Operating	-	-	-	-	-	-
	1,054,874	1,054,874	1,054,874	1,054,874	1,054,874	1,054,874
<b>Minor Capital Projects Reserve</b>						
<b>- MCP Capital Grants to VIHA that are cashflowed over 3 years and expire after 5 years</b>						
Beginning Balance	4,630,407	6,771,595	6,554,717	5,044,995	4,000,000	4,000,000
Transfer from Operating	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Transfer from Capital	-	-	-	-	-	-
Transfer to Operating	(70,617)	-	-	-	-	-
Capital Grant Paid to Island Health	(1,538,195)	(3,966,878)	(5,259,722)	(4,794,995)	(3,750,000)	(3,750,000)
	6,771,595	6,554,717	5,044,995	4,000,000	4,000,000	4,000,000
<b><u>CRHD CAPITAL:</u></b>						
<b>Land Holdings Management Reserve</b>						
<b>- CRHD properties: 950 Kings, Oak Bay Lodge, Royal Bay, Summit</b>						
Beginning Balance	1,286,761	1,405,012	1,334,960	1,260,513	1,325,669	1,430,885
Transfer from Capital	3,028	-	-	-	-	-
Transfer from Operating	200,000	200,000	200,000	200,000	200,000	200,000
Interest Earnings	46,901	-	-	-	-	-
Transfer to Operating	(131,678)	(270,052)	(274,447)	(134,844)	(94,784)	(122,603)
	1,405,012	1,334,960	1,260,513	1,325,669	1,430,885	1,508,282
<b>Summit Management Reserve</b>						
Beginning Balance	533,340	891,288	693,240	757,192	821,144	885,096
Transfer from Operating - lifecycle contribution	263,952	263,952	263,952	263,952	263,952	263,952
Transfer from Operating - 2017 MCP Surplus	70,617	-	-	-	-	-
Transfer from Operating	-	-	-	-	-	-
Interest Earnings	23,379	-	-	-	-	-
Transfer to Capital	-	(462,000)	(200,000)	(200,000)	(200,000)	(210,260)
	891,288	693,240	757,192	821,144	885,096	938,788
<b>Regional Housing First Program Reserve</b>						
<b>- new program under development</b>						
Beginning Balance	10,068,435	10,383,057	383,057	383,057	383,057	383,057
Transfer from Operating	-	-	-	-	-	-
Interest Earnings	314,622	-	-	-	-	-
Capital Grant Paid	-	(10,000,000)	-	-	-	-
	10,383,057	383,057	383,057	383,057	383,057	383,057
<b><u>FINANCING:</u></b>						
<b>Debt Management Reserve</b>						
<b>- to mitigate future debt costs</b>						
Beginning Balance	-	3,359,412	7,026,741	13,704,131	10,608,506	4,422,822
Transfer from Operating	2,825,000	3,320,000	6,000,000	2,500,000	-	-
Transfer from Operating - 2022 surplus	493,333	-	-	-	-	-
Interest Earnings	41,079	347,329	677,391	524,375	218,619	65,409
Transfer to Capital	-	-	-	(6,120,000)	(5,000,000)	-
Transfer to Operating	-	-	-	-	(1,404,303)	(3,164,954)
	3,359,412	7,026,741	13,704,131	10,608,506	4,422,822	1,323,277
<b>TOTAL</b>	<b>25,550,096</b>	<b>18,608,447</b>	<b>23,645,621</b>	<b>19,634,109</b>	<b>13,617,592</b>	<b>10,649,137</b>

\* Under the Hospital District Act Section 20(4), CRHD is able to maintain reserve accounts for specified purposes

**REPORT TO CAPITAL REGIONAL HOSPITAL DISTRICT BOARD  
MEETING OF WEDNESDAY, MARCH 15, 2023**

**SUBJECT**      **Amendment to the Capital Regional Hospital District 2023-2032 Ten Year Capital Plan**

**ISSUE SUMMARY**

The 2023-2032 Capital Regional Hospital District (CRHD) Ten Year Capital Plan approved on September 21, 2022, requires amendment.

**BACKGROUND**

The 2023-2032 CRHD Capital Plan (Appendix A) is derived from Island Health's healthcare capital priorities and represents the CRHD's ongoing capital commitments, anticipated new capital expenditures and the financial implications for the CRHD's requisition and future property tax changes.

CRHD staff monitors throughout the year the CRHD's capital contribution to ongoing projects and reviews with Island Health staff, planned new capital projects. An amendment is required based on the ongoing review of emerging Island Health patient-focused priorities.

Significant changes to the Capital Plan for 2023 include:

<b>PROJECT</b>	<b>CHANGE</b>	<b>EXPLANATION</b>	<b>IMPACT (\$million)</b>
High Acuity Unit – RJH	Decrease expenditures in 2023	Cash flows deferred to years 2024-2025 due to Island Health prioritization process.	(1.7)
New Long-Term Care – Royal Bay	Decrease expenditures in 2023	Cash flows deferred years 2024-2027 due to Island Health prioritization process.	(3.5)
Inpatient & Outpatient Rehabilitation Program – VGH	Decrease expenditures in 2023	Cash flows deferred to years 2024-2025 due to schematic design and business planning.	(1.1)
Medical Device Reprocessing Department Expansion - VGH	Decrease expenditures in 2023	Cash flows deferred to years 2024-2025 due to Island Health prioritization process.	(0.7)
Energy Centre Replacement – VGH	Project deferred to 2024	Revised project timing due to Island Health prioritization process.	(0.7)
Other changes below \$500,000	Projects added, removed, or deferred to future years	Changes as a result of Island Health prioritization process.	(1.3)
<b>Total Changes</b>			<b>(\$9.0)</b>

## **ALTERNATIVES**

### *Alternative 1*

That the Capital Regional Hospital District 2023-2032 Ten Year Capital Plan be amended and approved as submitted.

### *Alternative 2*

That the Amendment to the Capital Regional Hospital District 2023-2032 Ten Year Capital Plan report be referred to staff for additional information based on Capital Regional Hospital District Board direction.

## **FINANCIAL IMPLICATIONS**

Alternative 1 reflects the CRHD's continued commitment to fund Major Projects and Minor Capital Projects, as well as healthcare equipment. Major Capital Projects are currently cost shared on a 30% basis. The total CRHD estimated cash flow for 2023 is \$21 million and total cash flow to 2032 is \$492 million and reflects projects identified by Island Health and CRHD.

Total project costs are estimates and are subject to change upon further scope refinement and economic conditions at project timing. Future projects are also subject to the annual Island Health prioritization process, and approval from both the Ministry of Health and CRHD.

Appendix B graphically illustrates the existing and estimated debt service implications of the 2023-2032 Capital Plan amendment. Appendix C summarizes the requisition impact based on most recent average residential assessment data.

## **CONCLUSION**

Staff continues to work in collaboration with Island Health to refine capital plans to best serve the needs of the region. The Capital Plan is organized by health facility and year, and the recommended funding for each project is identified. All projects listed in the plan will be reviewed, in the appropriate year and are subject to prioritization and Board approval. The CRHD 2023 Final Budget incorporates the financial implications of the 2023-2032 Amended Ten Year Capital Plan.

## **RECOMMENDATION**

That the Capital Regional Hospital District 2023-2032 Ten Year Capital Plan be amended and approved as submitted.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health and Capital Planning Strategies
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

## **ATTACHMENTS**

Appendix A: Amended CRHD 2023-2032 Ten Year Capital Plan  
Appendix B: Debt Servicing Impact of 2023-2032 Capital Plan  
Appendix C: Debt Servicing Cost per Average 2023 Residential Assessment

Project Type / Status	Project Description	Year	Facility / Site	CBL Bylaw #	CRHD Share (%)	CRHD Share Total Project (\$)	Total Project Budget (\$)	Completed at Prior Year-End (\$)	Total Project Remaining Balance (\$)
Major Project - Approved	Emergency Department <sup>1</sup>	2021	Lady Minto Hospital	183	29%	3,738,000	12,800,000	3,509,215	9,290,785
Major Project - Approved	High Acuity Unit	2022	Victoria General Hospital	185	30%	1,019,155	3,397,183	2,638,120	759,063
Major Project - Planned	New Long Term Care (306 beds)	2023	South Island - Royal Bay		30%	67,108,200	223,694,000	-	223,694,000
Major Project - Possible	High Acuity Unit	2023	Royal Jubilee Hospital		30%	5,756,400	19,188,000	-	19,188,000
Major Project - Possible	Relocate MHSU ACT Teams	2023	Royal Jubilee Hospital		30%	600,000	2,000,000	-	2,000,000
Major Project - Possible	Medical Device Reprocessing Department Expansion	2023	Victoria General Hospital		30%	1,272,000	4,240,000	-	4,240,000
Major Project - Possible	Inpatient and Outpatient Rehabilitation Program	2023	Gorge Road Hospital		30%	2,891,100	9,637,000	-	9,637,000
Major Project - Possible	Child Youth Mental Health Stabilization Unit	2023	Victoria General Hospital		30%	4,140,000	13,800,000	-	13,800,000
Major Project - Possible	1.5T MRI replacement	2023	Royal Jubilee Hospital		30%	913,875	3,046,250	-	3,046,250
Major Project - Possible	Energy Centre Replacement	2024	Victoria General Hospital		30%	15,000,000	50,000,000	-	50,000,000
Major Project - Possible	Electronic Health Record	2024	South Island - TBD		30%	900,000	3,000,000	-	3,000,000
Major Project - Possible	Peninsula Primary Care Centre <sup>1</sup>	2024	Saanich Peninsula Hospital		30%	900,000	3,000,000	-	3,000,000
Major Project - Possible	Pembroke Mental Health Substance Use Center	2024	Victoria Health Unit-Cook Street		30%	6,600,000	22,000,000	-	22,000,000
Major Project - Possible	Administrative Building Decant/Eric Martin Pavilion Asbestos Abatement	2024	Royal Jubilee Hospital		30%	2,550,000	8,500,000	-	8,500,000
Major Project - Possible	VGH High Performance Controls Upgrade	2024	Victoria General Hospital		30%	1,110,992	3,703,305	-	3,703,305
Major Project - Possible	RJH DT Controls Upgrade	2024	Royal Jubilee Hospital		30%	1,078,376	3,594,588	-	3,594,588
Major Project - Possible	Network Upgrades - VGH & RJH	2024	Victoria General Hospital		30%	1,470,000	4,900,000	-	4,900,000
Major Project - Possible	MRI Replacement	2024	Victoria General Hospital		30%	808,875	2,696,250	-	2,696,250
Major Project - Possible	Mental Health & Substance Use Residential Program	2025	To be determined		30%	600,000	2,000,000	-	2,000,000
Major Project - Possible	Pneumatic to Electric Controls Conversion	2025	Gorge Road Hospital		30%	1,065,452	3,551,508	-	3,551,508
Major Project - Possible	Energy Centre Replacement	2025	Saanich Peninsula Hospital		30%	2,400,000	8,000,000	-	8,000,000
Major Project - Possible	Oak Bay Lodge Redevelopment	2025	Former Oak Bay Lodge Site		30%	90,000,000	300,000,000	-	300,000,000
Major Project - Possible	Relocate SSI MHSU Integrated Team	2025	Salt Spring Island		30%	600,000	2,000,000	-	2,000,000
Major Project - Possible	Community Health Centre	2025	Greater Victoria - TBD		30%	1,500,000	5,000,000	-	5,000,000
Major Project - Possible	Elevator Refurbishment	2025	Victoria General Hospital		30%	616,715	2,055,718	-	2,055,718
Major Project - Possible	Convert obsolete 480 distribution system with 600V	2025	Royal Jubilee Hospital		30%	600,000	2,000,000	-	2,000,000
Major Project - Possible	VGH Pediatric Intensive Care Unit	2025	Victoria General Hospital		30%	1,500,000	5,000,000	-	5,000,000
Major Project - Possible	10G Fibre Expansion (IMIT)	2025	Royal Jubilee Hospital		30%	900,000	3,000,000	-	3,000,000
Major Project - Possible	RJH DT Cooling System Replacement	2025	Royal Jubilee Hospital		30%	600,000	2,000,000	-	2,000,000
Major Project - Possible	QAC Electrical Distribution \$2m	2025	Queen Alexandra		30%	600,000	2,000,000	-	2,000,000
Major Project - Possible	Endoscopy - create 4th Procedure Room	2025	Royal Jubilee Hospital		30%	600,000	2,000,000	-	2,000,000
Major Project - Possible	Morgue Expansion	2025	Victoria General Hospital		30%	600,000	2,000,000	-	2,000,000
Major Project - Possible	Surgical Day Care Unit Renovation	2026	Victoria General Hospital		30%	3,180,000	10,600,000	-	10,600,000
Major Project - Possible	Intensive Care & High Acuity Unit Redevelopment <sup>3</sup>	2026	Victoria General Hospital		30%	11,700,000	39,000,000	-	39,000,000
Major Project - Possible	Restorative Health Center	2026	To be determined		30%	60,000,000	200,000,000	-	200,000,000
Major Project - Possible	Memorial Pavilion Mechanical System Upgrade	2026	Royal Jubilee Hospital		30%	3,000,000	10,000,000	-	10,000,000
Major Project - Possible	Electrical Infrastructure Upgrade	2026	Lady Minto Hospital		30%	3,000,000	10,000,000	-	10,000,000
Major Project - Possible	New Long Term Care (50 beds)	2027	Greater Victoria - TBD		30%	9,900,000	33,000,000	-	33,000,000
Major Project - Possible	Westshore Mental Health Team	2027	Westshore		30%	974,700	3,249,000	-	3,249,000
Major Project - Possible	Phase 2 of ED Redevelopment: Imaging Suite	2028	Lady Minto Hospital		30%	1,500,000	5,000,000	-	5,000,000
Major Project - Possible	Endoscopy - create 4th Procedure Room	2028	Victoria General Hospital		30%	600,000	2,000,000	-	2,000,000
Major Project - Possible	Child Youth and Family Services Redevelopment	2028	To be determined		30%	30,000,000	100,000,000	-	100,000,000
Major Project - Possible	Long Term Care (50 beds)	2029	Lady Minto Hospital		30%	15,000,000	50,000,000	-	50,000,000
Major Project - Possible	Multidisciplinary Pain Clinic	2029	Royal Jubilee Hospital		30%	900,000	3,000,000	-	3,000,000
Major Project - Possible	Hospice Replacement	2029	Royal Jubilee Hospital		30%	6,000,000	20,000,000	-	20,000,000
Major Project - Possible	ED Imaging CT and XRay Expansion	2029	Victoria General Hospital		30%	3,000,000	10,000,000	-	10,000,000
Major Project - Possible	Replace Food Services Production Kitchen	2030	Royal Jubilee Hospital		30%	30,000,000	100,000,000	-	100,000,000
Major Project - Possible	ABSU Unit	2030	Royal Jubilee Hospital		30%	3,000,000	10,000,000	-	10,000,000
Major Project - Possible	New Space - Patient and Health Program Areas	2030	Royal Jubilee Hospital		30%	45,000,000	150,000,000	-	150,000,000
Major Project - Possible	Operating Room Upgrade	2030	Victoria General Hospital		30%	1,500,000	5,000,000	-	5,000,000
Major Project - Possible	(VASC/CARD) Hybrid OR	2030	Royal Jubilee Hospital		30%	1,620,000	5,400,000	-	5,400,000
ISLAND HEALTH TOTAL*						449,913,841	1,500,052,802	6,147,335	1,493,905,467
CRHD SHARE of ISLAND HEALTH MAJOR PROJECTS - including inflation in future years <sup>2</sup>									

2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10-Year Total
9,290,785	-	-	-	-	-	-	-	-	-	9,290,785
759,063	-	-	-	-	-	-	-	-	-	759,063
1,187,000	7,000,000	75,000,000	89,500,000	51,007,000	-	-	-	-	-	223,694,000
250,000	9,650,000	9,288,000	-	-	-	-	-	-	-	19,188,000
200,000	500,000	1,300,000	-	-	-	-	-	-	-	2,000,000
60,000	2,420,000	1,760,000	-	-	-	-	-	-	-	4,240,000
300,000	7,000,000	2,337,000	-	-	-	-	-	-	-	9,637,000
450,000	6,300,000	7,050,000	-	-	-	-	-	-	-	13,800,000
646,250	1,700,000	700,000	-	-	-	-	-	-	-	3,046,250
-	7,872,500	7,835,000	7,467,500	7,565,000	6,500,000	6,500,000	5,760,000	500,000	-	50,000,000
-	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	3,000,000
-	250,000	1,500,000	1,250,000	-	-	-	-	-	-	3,000,000
-	1,500,000	7,500,000	6,500,000	6,500,000	-	-	-	-	-	22,000,000
-	2,750,000	3,750,000	2,000,000	-	-	-	-	-	-	8,500,000
-	103,305	1,750,000	1,850,000	-	-	-	-	-	-	3,703,305
-	94,588	1,500,000	2,000,000	-	-	-	-	-	-	3,594,588
-	450,000	2,000,000	2,450,000	-	-	-	-	-	-	4,900,000
-	296,250	1,400,000	1,000,000	-	-	-	-	-	-	2,696,250
-	-	2,000,000	-	-	-	-	-	-	-	2,000,000
-	-	3,551,508	-	-	-	-	-	-	-	3,551,508
-	-	1,000,000	4,300,000	2,700,000	-	-	-	-	-	8,000,000
-	-	1,500,000	39,600,000	60,000,000	70,000,000	70,000,000	58,900,000	-	-	300,000,000
-	-	2,000,000	-	-	-	-	-	-	-	2,000,000
-	-	2,500,000	2,500,000	-	-	-	-	-	-	5,000,000
-	-	1,025,718	1,030,000	-	-	-	-	-	-	2,055,718
-	-	1,000,000	1,000,000	-	-	-	-	-	-	2,000,000
-	-	250,000	2,250,000	2,250,000	250,000	-	-	-	-	5,000,000
-	-	1,500,000	1,500,000	-	-	-	-	-	-	3,000,000
-	-	250,000	1,250,000	500,000	-	-	-	-	-	2,000,000
-	-	200,000	1,200,000	600,000	-	-	-	-	-	2,000,000
-	-	200,000	1,200,000	600,000	-	-	-	-	-	2,000,000
-	-	-	150,000	1,500,000	350,000	-	-	-	-	2,000,000
-	-	-	100,000	500,000	5,000,000	5,000,000	-	-	-	10,600,000
-	-	-	250,000	2,500,000	15,000,000	15,000,000	6,000,000	250,000	-	39,000,000
-	-	-	250,000	2,500,000	25,000,000	50,000,000	50,000,000	50,000,000	22,250,000	200,000,000
-	-	-	150,000	3,000,000	3,000,000	3,000,000	850,000	-	-	10,000,000
-	-	-	150,000	3,000,000	3,000,000	3,000,000	850,000	-	-	10,000,000
-	-	-	-	350,000	650,000	11,000,000	11,000,000	10,000,000	-	33,000,000
-	-	-	-	100,000	1,800,000	1,349,000	-	-	-	3,249,000
-	-	-	-	-	150,000	2,000,000	2,000,000	850,000	-	5,000,000
-	-	-	-	-	150,000	1,500,000	350,000	-	-	2,000,000
-	-	-	-	-	250,000	12,500,000	25,000,000	25,000,000	37,250,000	100,000,000
-	-	-	-	-	-	200,000	800,000	5,000,000	44,000,000	50,000,000
-	-	-	-	-	-	250,000	1,750,000	1,000,000	-	3,000,000
-	-	-				250,000	3,000,000	6,500,000	8,000,000	17,750,000
-	-	-				150,000	1,500,000	5,000,000	3,350,000	10,000,000
-	-	-					450,000	12,000,000	35,000,000	47,450,000
-	-	-					175,000	1,500,000	3,500,000	5,175,000
-	-	-					325,000	4,000,000	15,000,000	19,325,000
-	-	-	-	-	-	-	250,000	1,500,000	3,250,000	5,000,000
-	-	-	-	-	-	-	250,000	2,000,000	3,150,000	5,400,000
13,143,098	48,886,643	142,647,226	171,897,500	145,172,000	131,100,000	181,699,000	169,210,000	125,100,000	174,750,000	1,303,605,467
3,868,603	14,720,281	43,065,441	52,063,635	44,116,590	40,116,600	55,599,894	51,778,260	38,280,600	53,473,500	397,083,405

Project Type / Status	Project Description	Year	Facility / Site	CBL Bylaw #	CRHD Share (%)	CRHD Share Total Project (\$)	Total Project Budget (\$)	Completed at Prior Year-End (\$)	Total Project Remaining Balance (\$)
Minor Project - Requested	Minor Capital Projects Current Budget Year	2023	Various		40%	3,750,000	9,375,000	-	9,375,000
Minor Project - Anticipated	Minor Capital Projects Future Budget Years	2024-2032	Various		40%	33,750,000	84,375,000	-	84,375,000
Minor Equipment Grants	CRHD Section 20 Equipment Grants	2023-2032	Various		100%	29,550,000	29,550,000	-	29,550,000
CRHD Project	Regional Housing First Program (RHFP) Contribution - \$10M contribution from reserve	2023	TBD		100%	10,000,000	10,000,000	-	10,000,000
CRHD Project	Summit Scheduled Capital Replacements - funded by capital funds on hand and reserve	2023	955 Hillside Ave.	160	100%	2,569,202	2,569,202	-	2,569,202
CRHD Project	Hillside/Kings Licensed Residential Care Facility	2024	950 Kings Rd.		100%	15,000,000	15,000,000	-	15,000,000
CRHD Project	Summit Chiller Modifications	2022	955 Hillside Ave.		100%	200,000	200,000	-	200,000
CRHD TOTAL						94,819,202	151,069,202	-	151,069,202
PROJECT TOTAL - before inflation						544,733,043	1,651,122,004	6,147,335	1,644,974,669
Inflation <sup>2</sup>	2.00%	- excluding approved/pending Capital Bylaws							24,465,007
PROJECT TOTAL - including inflation									1,669,439,676
CRHD SHARE TOTAL ESTIMATED ANNUAL CAPITAL CASH FLOW									492,202,607

General Notes

\*Rules for debt borrowing period (amortization) are based on total project cost: \$2-5M 5yrs; \$5-12.5M 10yrs; >\$12.5M 15yrs

\*\*Potential start dates depend on annual prioritization process and funding availability from Ministry of Health, CRHD and other funding sources. As a result, start dates are preliminary and may change.

<sup>1</sup>Project will be primarily funded by the Hospital Foundation

<sup>2</sup>Inflation is calculated at a rate of 2% for years 2023-2032 and applied to forecasted projects if applicable (approved bylaws, current year projects and land acquisitions are not subject to inflation)

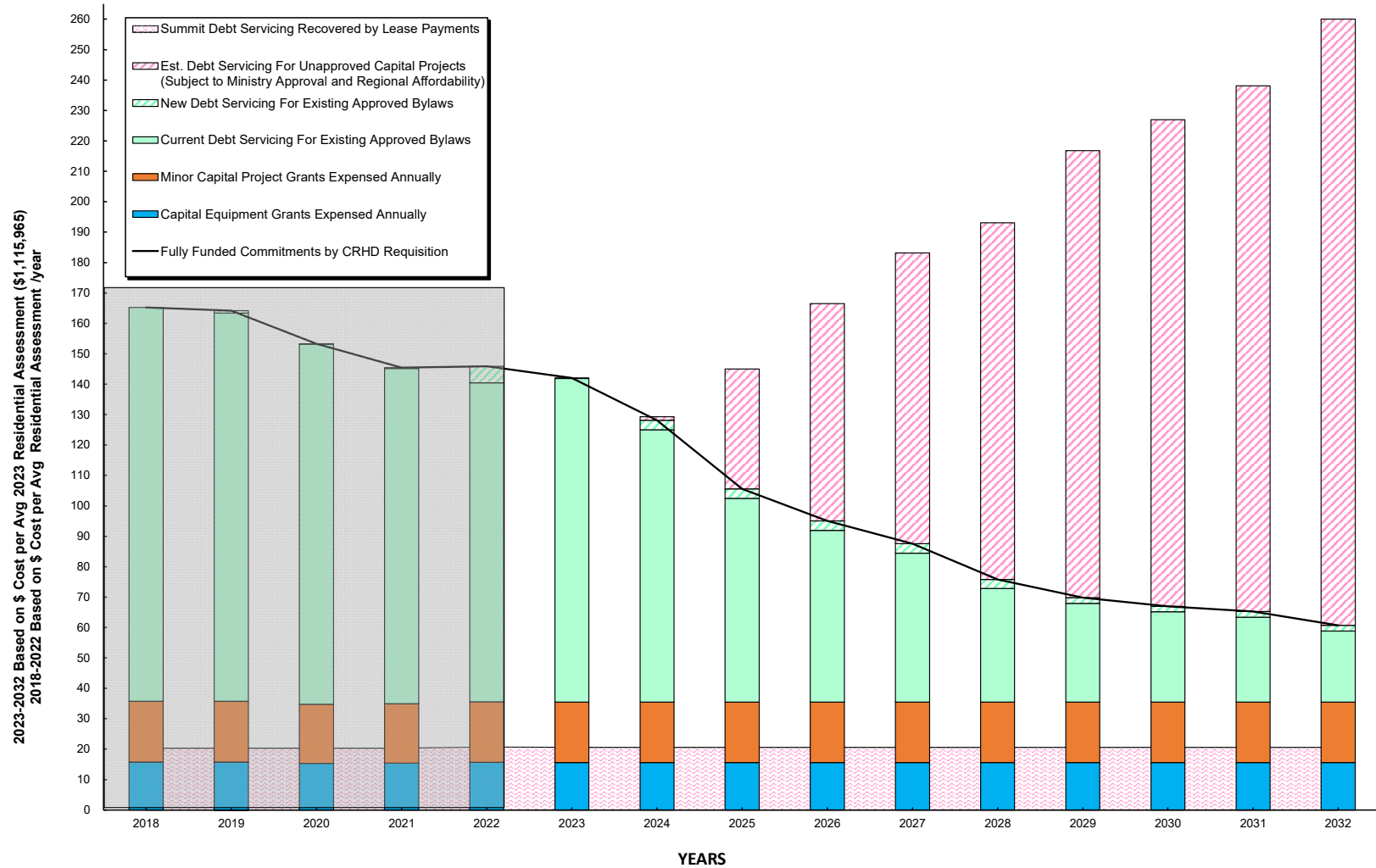
<sup>3</sup>If this project does not proceed, a renovation to the Intensive Care Unit will be required

2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10-Year Total
9,375,000	-	-	-	-	-	-	-	-	-	9,375,000
-	9,375,000	9,375,000	9,375,000	9,375,000	9,375,000	9,375,000	9,375,000	9,375,000	9,375,000	84,375,000
2,955,000	2,955,000	2,955,000	2,955,000	2,955,000	2,955,000	2,955,000	2,955,000	2,955,000	2,955,000	29,550,000
10,000,000	-	-	-	-	-	-	-	-	-	10,000,000
360,000	200,000	200,000	200,000	210,260	200,000	200,000	200,000	200,000	598,942	2,569,202
-	3,000,000	6,000,000	6,000,000	-	-	-	-	-	-	15,000,000
200,000	-	-	-	-	-	-	-	-	-	200,000
22,890,000	15,530,000	18,530,000	18,530,000	12,540,260	12,530,000	12,530,000	12,530,000	12,530,000	12,928,942	151,069,202
36,033,098	64,416,643	161,177,226	190,427,500	157,712,260	143,630,000	194,229,000	181,740,000	137,630,000	187,678,942	1,454,674,669
-	346,333	1,024,245	1,767,950	1,883,300	2,622,000	3,633,980	3,384,200	2,502,000	3,495,000	20,659,007
36,033,098	64,762,976	162,201,471	192,195,450	159,595,560	146,252,000	197,862,980	185,124,200	140,132,000	191,173,942	1,475,333,676
21,133,603	24,685,281	56,090,441	65,088,635	51,031,850	47,021,600	62,504,894	58,683,260	45,185,600	60,777,442	492,202,607

VIHA Project Type / Status Legend:	
Major Project - Approved	Capital Borrowing Bylaw has been approved; project values greater than \$2 million
Major Project - Planned	Island Health has received approval from Ministry of Health; project values greater than \$2 million
Major Project - Possible	Island Health is planning to proceed subject to necessary approvals; project values greater than \$2 million
Major Project - Other	Projects not yet identified; to recognize health care needs and technology are continuously changing
Minor Project - Requested/Anticipated	Current and future year minor projects with values in the range of \$100,000 to \$2 million, up to maximum of \$9.375 million
Minor Equipment Grants	HD Act Section 20 minor equipment grants
CRHD Project	CRHD capital initiatives

**CAPITAL REGIONAL HOSPITAL DISTRICT**  
**Debt Servicing Impact of Capital Plan (2018-2032)**  
**MFA Borrowing Terms 5-25yrs**

**APPENDIX B**



Debt Servicing costs have not been adjusted for PILTs, Other income, Admin & MFA Financing Fees  
 Prepared by: CRD Finance



APPENDIX C

**CAPITAL REGIONAL HOSPITAL DISTRICT**  
**Debt Servicing Impact of 10 Year Capital Plan (2023-2032)**  
**Cost per Average 2023 Residential Assessment (\$1,115,965)**  
**Based on MFA Borrowing Terms of 5, 10, 15, 25 Years**

Year	Existing Debt Servicing	Estimated Debt Servicing <sup>1</sup>	Total Debt Servicing	Section 20 Expensed		Total Requisition <sup>2</sup>	Total Requisition \$ Value <sup>2</sup>
				Capital Equipment	Minor Capital Projects		
2023	106.43	0.18	106.61	15.62	19.82	142.05	26,876,082
2024	89.58	4.25	93.84	15.62	19.82	129.27	24,459,444
2025	67.05	42.54	109.59	15.62	19.82	145.03	27,440,495
2026	56.52	74.56	131.08	15.62	19.82	166.51	31,505,076
2027	48.99	98.75	147.74	15.62	19.82	183.17	34,657,470
2028	37.36	120.31	157.67	15.62	19.82	193.11	36,537,706
2029	32.53	148.84	181.37	15.62	19.82	216.81	41,021,133
2030	29.76	161.79	191.56	15.62	19.82	226.99	42,948,234
2031	27.98	174.66	202.64	15.62	19.82	238.08	45,045,285
2032	23.43	201.19	224.62	15.62	19.82	260.06	49,204,313
							<u>359,695,238</u>

<sup>1</sup>Future projects are subject to the Island Health/CRHD annual prioritization process and funding availability from both the Ministry of Health and CRHD.

<sup>2</sup>Requisition values are calculated based on forecasted debt servicing costs only and vary from budgeted requisition due to other budgetary drivers

**REPORT TO CAPITAL REGIONAL HOSPITAL DISTRICT BOARD  
MEETING OF WEDNESDAY, MARCH 15, 2023**

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**SUBJECT**     **The Summit at Quadra Village Capital Modifications – Approval of a Capital Bylaw**

**ISSUE SUMMARY**

Approval of a capital bylaw is required by the Capital Regional Hospital District (CRHD) Board to authorize funding of capital modifications at The Summit.

**BACKGROUND**

On July 14, 2022, a team of acoustical engineers, CRHD staff, and Island Health met at the Summit and at two neighbourhood locations to conduct sound testing. This testing was designed in consultation with the community, and they had designated community members in attendance. Acoustical engineers were able to turn on and off the individual roof top equipment and, when running the large chiller at an unusual service interval, determined an unpleasant tone could be caused by the large chiller.

CRHD's consultants recommend, as the most effective and cost-efficient solution, installation of an intake silencer bank on the south side of the large chiller and replacement of the existing acoustical louver wall with a 13' high acoustical panel barrier.

At the October 12, 2022, meeting of the CRHD Board, a motion to amend the capital plan to authorize the implementation of the proposed remediation strategy was passed to include a maximum expenditure amount of \$200,000 for capital modifications to resolve noise concerns at The Summit.

Approval of a capital expenditure bylaw is required by the CRHD Board to expend these funds (Appendix A). Schedule A of the bylaw in Appendix A summarizes the expenditure in line with the 2022-2031 CRHD 10 Year Capital Plan amended by Board on October 12, 2022 and will be included in the 2023-2032 Amended Capital Plan and 2023 Financial Plan being considered by the Board on March 15, 2023.

**ALTERNATIVES**

*Alternative 1*

- 1) That the recommended capital modifications totalling \$200,000 be approved and expensed from the Summit Management Reserve;
- 2) That Bylaw No. 416, "Capital Regional Hospital District Capital Bylaw No. 186, 2023" be introduced and read a first, second, and third time; and
- 3) That Bylaw No. 416 be adopted.

*Alternative 2*

That the Summit at Quadra Village Capital Modifications – Approval of a Capital Bylaw report be referred to staff for additional information.

## **IMPLICATIONS**

### *Financial Implications*

The capital costs for the chiller modifications will be financed from the Summit Management Reserve and are included in the 2022-2031 Amended 10 Year Capital Plan, approved by Board on October 12, 2022, and will be included in the 2023-2032 Amended Capital Plan and 2023 Financial Plan, being considered by the Board on March 15, 2023. The Summit Management Reserve has a balance of \$891,288 at December 31, 2022.

### *Social Implications*

While the large chiller does not cause a potentially unpleasant noise at low service intervals, at high service intervals the equipment could be a potential cause of noise complaints occurring in the neighborhood. While the noise is not inconsistent with urban noise and is not out-of-character in relation to other HVAC equipment sounds in the neighborhood or regionally, CRHD as a good neighbour should take steps to mitigate such noise if possible.

## **CONCLUSION**

Approval of a capital bylaw is required to complete capital modifications necessary to remediate the noise emanating from the Summit rooftop equipment.

## **RECOMMENDATION**

- 1) That the recommended capital modifications totalling \$200,000 be approved and expensed from the Summit Management Reserve;
- 2) That Bylaw No. 416, "Capital Regional Hospital District Capital Bylaw No. 186, 2023" be introduced and read a first, second, and third time; and
- 3) That Bylaw No. 416 be adopted.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health and Capital Planning Strategies
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

## **ATTACHMENTS**

Appendix A: Bylaw No. 416, "Capital Regional Hospital District Bylaw No, 186, 2023"

**CAPITAL REGIONAL HOSPITAL DISTRICT BYLAW NO. 416**

\*\*\*\*\*

**CAPITAL REGIONAL HOSPITAL DISTRICT CAPITAL BYLAW NO. 186, 2023**

\*\*\*\*\*

WHEREAS the Board of the Capital Regional Hospital District proposes to 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 bylaw as required by Sections 32 of the *Hospital District Act*;

1. The Board hereby authorizes and approves the expenditure of money necessary to complete the capital expenditures as described in Schedule 'A' attached hereto totalling \$200,000.00.
2. The payment of the portion that the Capital Regional Hospital District is responsible for shall be funded through monies budgeted in the current year of operation.
3. The Board hereby delegates the necessary authority to the Treasurer of the Capital Regional Hospital District to settle the terms of the expenditure.
4. This Bylaw may be cited for all intents and purposes as the "Capital Regional Hospital District Capital Bylaw No. 186, 2023".

READ A FIRST TIME THIS	DAY OF	March	, 2023
READ A SECOND TIME THIS	DAY OF	March	, 2023
READ A THIRD TIME THIS	DAY OF	March	, 2023
ADOPTED THIS	DAY OF	March	, 2023

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Chair

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Corporate Officer

**SCHEDULE 'A'**

**CAPITAL REGIONAL HOSPITAL DISTRICT BYLAW NO. 416**  
**"CAPITAL REGIONAL HOSPITAL DISTRICT CAPITAL BYLAW NO. 186, 2023"**

<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 Others</b>	<b>Total Project or Equipment Cost</b>
The Summit at Quadra Village	Capital Modifications – Noise Remediation	C186-01-XX	\$200,000.00	\$0.00	\$200,000.00
<b>TOTAL</b>			\$200,000.00	\$0.00	\$200,000.00