



Notice of Meeting and Meeting Agenda Capital Regional Hospital District Board

Wednesday, November 8, 2023

1:10 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

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. CALL TO ORDER
2. TERRITORIAL ACKNOWLEDGEMENT
3. ELECTION OF THE CHAIR OF THE HOSPITAL DISTRICT BOARD
4. ELECTION OF THE ACTING CHAIR OF THE HOSPITAL DISTRICT BOARD
5. INAUGURAL ADDRESS OF THE CHAIR
6. APPROVAL OF THE AGENDA
7. ADOPTION OF MINUTES

- 7.1. [23-842](#) Minutes of the October 11, 2023 and the minutes of the October 25, 2023 Capital Regional Hospital District Board Meetings

Recommendation: That the minutes of the Capital Regional Hospital District Board meetings of October 11, 2023 and October 25, 2023 be adopted as circulated.

Attachments: [Minutes - October 11, 2023](#)
[Minutes - October 25, 2023](#)

8. 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 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.

9. CONSENT AGENDA

10. ADMINISTRATION REPORTS

11. REPORTS OF COMMITTEES

11.1. [23-747](#) Revenue Anticipation Borrowing Resolution for Current Capital Regional Hospital District Operating Expenditures

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:
That the Revenue Anticipation Resolution be adopted to allow the temporary borrowing of up to \$11 million for current Capital Regional Hospital District operating expenditures.
(WA)

Attachments: [Staff Report: Revenue Anticipation Resolution CRHD](#)
[Appendix A: Revenue Anticipation Resolution CRHD](#)

12. BYLAWS

13. NOTICE(S) OF MOTION

14. NEW BUSINESS

15. 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

Wednesday, October 11, 2023

1:05 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

PRESENT

DIRECTORS: K. Murdoch (Chair), C. McNeil-Smith (Acting Chair), M. Alto, P. Brent, S. Brice, J. Brownoff, J. Caradonna, C. Coleman, Z. de Vries, B. Desjardins, S. Goodmanson (EP), G. Holman, P. Jones, D. Kobayashi, M. Little, D. Murdock, C. Plant, L. Szpak, D. Thompson (EP), S. Tobias (EP), A. Wickheim, K. Williams, R. Windsor

STAFF: T. Robbins, Chief Administrative Officer; N. Chan, Chief Financial Officer; A. Fraser, General Manager, Integrated Water Services; L. Hutcheson, General Manager, Parks and Environmental Services; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services; M. Barnes, Senior Manager, Health and Capital Planning Strategies; D. Elliott, Senior Manager, Regional Housing; M. MacIntyre, Manager, Park Planning and Development; C. Vrabel, Manager Emergency Programs; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk (Recorder)

EP - Electronic Participation

Regrets: Director Tait

The meeting was called to order at 1:03 pm.

1. TERRITORIAL ACKNOWLEDGEMENT

A Territorial Acknowledgement was provided in the preceding meeting.

2. APPROVAL OF THE AGENDA

MOVED by Director Plant, **SECONDED** by Director de Vries,
That the agenda for the October 11, 2023 Session of the Capital Regional Hospital District Board be approved.
CARRIED

3. ADOPTION OF MINUTES

3.1. [23-724](#) Minutes of the September 13, 2023 Capital Regional Hospital District Board

MOVED by Director Plant, **SECONDED** by Director de Vries,
That the minutes of the Capital Regional Hospital District Board meeting of September 13, 2023 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. [23-689](#) Relocation of the Mental Health and Substance Use Assertive Community Treatment Teams - Approval of a Capital Bylaw

K. Lorette spoke to Item 8.1.

MOVED by Director Plant, **SECONDED** by Director de Vries,

1. That Capital Regional Hospital District (CRHD) funding in the amount of \$600,000 be approved for the Relocation of the Mental Health and Substance Use Assertive Community Treatment Teams.

CARRIED

MOVED by Director Plant, **SECONDED** by Director de Vries,

2) That CRHD Bylaw No. 418, "Capital Regional Hospital District Capital Bylaw No. 188, 2023", be introduced and read a first, second, and third time.

CARRIED

MOVED by Director Plant, **SECONDED** by Director de Vries,

3) That CRHD Bylaw No. 418 be adopted.

CARRIED

9. NOTICE(S) OF MOTION

There were no notice(s) of motion.

10. NEW BUSINESS

There was no new business.

11. ADJOURNMENT

MOVED by Director Plant, **SECONDED** by Director de Vries,

That the October 11, 2023 Capital Regional Hospital District Board meeting be adjourned at 1:06 pm.

CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

Meeting Minutes

Capital Regional Hospital District Board

Wednesday, October 25, 2023

1:00 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

Special Meeting - Provisional Budget

DIRECTORS: K. Murdoch (Chair), C. McNeil-Smith (Acting Chair), P. Brent (EP), S. Brice, J. Brownoff (EP) (1:04 pm), J. Caradonna, C. Coleman, Z. de Vries, B. Desjardins, S. Goodmanson (1:05 pm), J. Grant (for A. Wickheim)(EP), C. Harder (for L. Szpak)(EP), G. Holman, P. Jones, S. Kim (for M. Alto) (EP), D. Kobayashi, M. Little, D. Murdock(EP), C. Plant, J. Rogers (for S. Tobias), D. Thompson, K. Williams

STAFF: T. Robbins, Chief Administrative Officer; N. Chan, Chief Financial Officer; A. Fraser, General Manager, Integrated Water Services; G. Harris, Acting General Manager, Parks and Environmental Services; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services; M. Barnes, Senior Manager, Health and Capital Planning Strategies; R. Lachance, Senior Manager Financial Services; F. Lopez, Manager, Strategic Planning; C. Neilsen, Senior Manager, Human Resources; B. Semmens, Manager, Financial Planning & Performance; E. Sinclair, Senior Manager, Regional and Strategic Planning; R. Smith, Senior Manager, Environmental Resource Management; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk (Recorder)

EP - Electronic Participation

Guest: D. Mackay, Director, Capital Planning, Island Health

Regrets: Directors M. Alto, L. Szpak, M. Tait, S. Tobias, A. Wickheim, R. Windsor

The meeting was called to order at 1:01 pm. .

1. TERRITORIAL ACKNOWLEDGEMENT

Chair Murdoch provided a Territorial Acknowledgement.

2. APPROVAL OF THE AGENDA

MOVED by Director Coleman, **SECONDED** by Director Kobayashi,
That the agenda for the October 25, 2023 Session of the Capital Regional Hospital District Board be approved.
CARRIED

3. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

4. SPECIAL MEETING MATTERS

4.1. [23-801](#) Capital Regional Hospital District 2024-2033 Ten Year Capital Plan

K. Lorette spoke to Item 4.1.

**Director Brownoff joined the meeting electronically at 1:04 pm.
Director Goodmanson joined the meeting in person at 1:05 pm.**

Discussion ensued regarding:

- formula used for cost-shared projects
- long term planning for health care expansion
- clarification of the increase in debt servicing costs
- cost-sharing limits as defined by the Hospital Act
- overview and clarification of capital projects
- Island Health business plan development and implementation
- clarification of cost-sharing process for capital projects
- west shore mental health project removal from capital plan
- funding of renovations in acute core project at Saanich Peninsula Hospital

**MOVED by Director Plant, SECONDED by Director McNeil-Smith,
That the Capital Regional Hospital District 2024-2033 Ten Year Capital Plan be
approved as submitted.**

CARRIED

4.2. [23-653](#) 2024 Capital Regional Hospital District Provisional Budget

N. Chan spoke to Item 4.2.

Discussion ensued regarding:

- debt servicing cost
- interest rate forecast

**MOVED by Director McNeil-Smith, SECONDED by Director Kobayashi,
That the 2024 Capital Regional Hospital District Provisional Budget be approved
as submitted.**

CARRIED

5. ADJOURNMENT

**MOVED by Director McNeil-Smith, SECONDED by Director Kobayashi,
That the October 25, 2023 Capital Regional Hospital District Board meeting be
adjourned at 1:48 pm.**

CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 01, 2023**

SUBJECT **Revenue Anticipation Borrowing Resolution for Current Capital Regional Hospital District Operating Expenditures**

ISSUE SUMMARY

Adoption of a Revenue Anticipation Borrowing Resolution (General Purpose) authorizing borrowing up to \$11 million if required prior to receipt of requisition and other revenues expected in 2024.

BACKGROUND

Under Section 31 of the Hospital District Act (HDA), regions are permitted to adopt a revenue anticipation borrowing resolution to secure short-term funding to meet financial obligations in advance of expected revenues. The section requires borrowed funds be repaid within nine (9) months from the date of borrowing.

Annually, the Capital Regional Hospital District (CRHD) receives multiple types of income such as requisition and lease revenue. While lease revenues are received monthly, requisition is received annually, typically in August. As a result of regular cash flow variations, the CRHD has potential borrowing requirements at various points during the year.

To minimize cash flow risk and continuity of CRHD operations, the use of revenue anticipation borrowing is recommended.

The proposed revenue anticipation resolution will authorize up to an average of four (4) months of expenditure outflows, ensuring uninterrupted operations and the lowest cost of financing. For 2024, based on current market interest rates and cashflow forecasts, the limit on the general borrowing is recommended to be \$11 million. The calculation for 2024, is equal to four-twelves (4/12) of the approved 2024 provisional operating budget of \$33 million.

When utilized, the CRHD will borrow funds by leveraging overdraft arrangements within current banking agreements or through the Municipal Finance Authority (MFA). Currently, Royal Bank of Canada's overdraft rate is 7.2% and MFA's short-term borrowing rate is 5.62% (both variable rates as of October 24, 2023).

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That the Revenue Anticipation Resolution be adopted to allow the temporary borrowing of up to \$11 million for current Capital Regional Hospital District operating expenditures.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

Historically, staff have presented the revenue anticipation resolution as a fiscal risk management tool annually. The last time borrowing was exercised under this authority was July 2017 for \$1.1 million to cover short-term interest payments, which were repaid in August upon receipt of requisition revenue.

Under current economic conditions and in consideration of CRHD's growth, there is an opportunity to optimize this financial strategy. For this fiscal year, the CRHD plans to utilize revenue anticipation borrowing to enhance working capital management. Short-term borrowing ensures liquidity, particularly during periods of revenue fluctuations, it also stabilizes annual budget expenditures, enables quick access to capital projects financing and readies the CRHD for emergencies if required. Despite current high short-term interest rates, this method is more cost-effective due to the brief borrowing duration and payback requirements. Additionally, elevated short-term investment rates can make revenue anticipation borrowing advantageous by maintaining or potentially increasing interest revenue.

Effective January 1, 2024, the proposed revenue anticipation bylaw limit of \$11 million will allow the CRHD to leverage short-term borrowing, addressing working capital needs based on anticipated requisition and other revenue sources. These funds will only be accessed when necessary and will be repaid within nine (9) months of borrowing, in compliance with HDA Section 31.

While the CRHD historically only utilized the revenue anticipation borrowing bylaw once in recent history, it has been consistently presented for annual approval as a prudent fiscal risk management tool. In the upcoming fiscal year, adopting this bylaw permits a cost-effective borrowing mechanism to address revenue variations and optimally manage working capital.

CONCLUSION

This proposed resolution is brought forward annually for consideration. Adoption of the resolution is necessary to authorize borrowing to cover expenditures in 2024 if required, pending receipt of anticipated revenues.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That the Revenue Anticipation Resolution be adopted to allow the temporary borrowing of up to \$11 million for current Capital Regional Hospital District operating expenditures.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Revenue Anticipation Resolution

CAPITAL REGIONAL HOSPITAL DISTRICT

RESOLUTION

Victoria, BC, November , 2023

No. _____

WHEREAS, pursuant to Section 31 of the *Hospital District Act*, the Board may by resolution with the approval of the Minister of Health or a person authorized by him to act on his behalf, borrow money for purposes other than capital expenditures by temporary loan such sums as the Board may deem necessary to meet the current operating expenditures for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Board;

AND WHEREAS pursuant to Section 25 of the said *Act*, member municipalities and the Province are not required to make payment from taxation revenues of amounts requisitioned by a Hospital District until August 1st of each year;

AND WHEREAS it is anticipated that a maximum of \$11,000,000 of borrowed funds will be required to meet 2024 current operating expenditures of the Board including the amounts required for principal and interest falling due within the year upon any debt of the Board;

NOW THEREFORE BE IT RESOLVED that the Board of the Capital Regional Hospital District borrow pursuant to Section 31 of the *Hospital District Act* a sum not exceeding \$11,000,000 for the purpose of paying the said current operating expenditures;

AND THAT the aforesaid monies or any part thereof may be borrowed for the purpose of aforesaid by means of bank overdrafts, bankers' acceptances, or promissory notes, bearing the Corporate Seal and signed by the Chair or Acting Chair and the Treasurer or Acting Treasurer. All monies borrowed pursuant to this resolution shall be repaid when anticipated revenues of the current year are received, or as much thereof as may be necessary.

AND THAT the Board of the Capital Regional Hospital District hereby pledges as security for liability incurred hereby, that part of current revenues necessary to fully satisfy any liability so created and the money borrowed shall be a first charge against current revenues received.