

CAPITAL REGIONAL DISTRICT

STAFF REPORT TO HEALTH FACILITIES PLANNING COMMITTEE MEETING OF WEDNESDAY, NOVEMBER 16, 2005

SUBJECT

2006 Capital Regional Hospital District (CRHD) Provisional Budget.

PURPOSE/PROBLEM:

Under the provision of the Hospital District Act, the CRHD Provisional Budget for 2006 must be adopted on or before December 31, 2005.

BACKGROUND:

The CRHD Provisional Budget forecasts funding required for the Regional Hospital District function for the coming fiscal year. The budget consists of debt service charges on funds borrowed for capital projects, Section 20(3) grant funding for medical equipment and the Health Facilities Planning Department administration budget. The budget is summarized in Table 1 below:

Table 1: 2006 CRHD Provisional Budget Summary			
	2006	2005	Variance from 2005 to 2006
Debt Servicing Charges	\$12,618,020	\$12,545,090	0.6%
Section 20(3) Grant	\$2,530,050	\$3,000,000	-15.7%
Administration	\$397,760	\$396,470	0.3%
Total	\$15,545,830	\$15,941,560	-2.5%

ALTERNATIVES:

Not Applicable

FINANCIAL IMPLICATIONS:

The attached 2006 Provisional Budget is 2.5% lower (\$395,730) than the 2005 budget.

The majority of the budget (81.2%) consists of debt servicing charges. This represents an increase of \$72,930 from 2005.

The Section 20(3) grant component is the subject of a separate staff report on this agenda.

The Health Facilities Planning Department administration budget has increased by 0.3% (\$1,290) over the 2005 budget.

COMMENTS

The 2006 debt servicing is lower than the 2005 budget because of the retirement of the Victoria General Hospital debt, lower cost new debt and reduced project activity. The debt component was forecast a bit higher but VIHA has not moved ahead on some projects as quickly as anticipated.

The Section 20(3) budget is back at its historic level after last year when it rose to \$3,000,000 to cover minor capital improvement projects with an offsetting surplus from the CRD Finance Department.

RECOMMENDATION

That the 2006 Capital Regional Hospital District Provisional Budget be approved and forwarded to the Capital Regional Hospital District Board.

Jeremy Tate, Director
Health Facilities Planning

C.A.O. Concurrence

COMMENTS: