

STUART-NECHAKO REGIONAL HOSPITAL DISTRICT
AGENDA
THURSDAY, JANUARY 9, 2020

CALL TO ORDER

ELECTION OF CHAIR

ELECTION OF ACTING CHAIR

SUPPLEMENTARY AGENDA

Receive

AGENDA – January 9, 2020

Approve

PAGE NO.

MINUTES

ACTION

2-5

Stuart-Nechako Regional Hospital District
Meeting Minutes – October 24, 2019

Adopt

REPORTS

6-7

John Illes, Treasurer – Capital Grant Bylaw 75
Pines Cafeteria Contribution

Recommendation
(Page 6)

8-11

John Illes, Treasurer – Initial Budget Discussion

Recommendation
(Page 8)

12-14

John Illes, Treasurer – Year End Draft Financial
Statements

Receive

CORRESPONDENCE

15-16

Northern Health – Union of BC Municipalities
Convention – September 2019

Receive

VERBAL REPORTS

RECEIPT OF VERBAL REPORTS

SUPPLEMENTARY AGENDA

NEW BUSINESS

ADJOURNMENT

STUART-NECHAKO REGIONAL HOSPITAL DISTRICT**MEETING MINUTES****THURSDAY, OCTOBER 24, 2019**

PRESENT: Chair Jerry Petersen

Directors Dolores Funk
Tom Greenaway
Linda McGuire
Mark Parker
Bev Playfair
Michael Riis-Christianson
Gerry Thiessen
Kim Watt-Senner

Director Absent Clint Lambert, Electoral Area "E" (Francois/Ootsa Lake Rural)

Alternate Director Scott Zayac, Electoral Area "E" (Francois/Ootsa Lake Rural)

Staff Curtis Helgesen, Chief Administrative Officer
Cheryl Anderson, Manager of Administrative Services
John Illes, Treasurer
Sashka Macievich, arrived at 10:30 a.m.
Wendy Wainwright, Executive Assistant

Others Cam Dodds, Smithers
John Perry, Smithers

CALL TO ORDER

Chair Petersen called the meeting to order at 10:16 a.m.

AGENDAMoved by Director Greenaway
Seconded by Director Playfair**SNRHD.2019-7-1**

"That the Stuart-Nechako Regional Hospital District Agenda of October 24, 2019 be approved."

(All/Directors/Majority)

CARRIED UNANIMOUSLY**MINUTES****Stuart-Nechako Regional
Hospital District Meeting
Minutes –August 15, 2019**Moved by Director McGuire
Seconded by Director Watt-Senner**SNRHD.2019-7-2**

"That the minutes of the Stuart-Nechako Regional Hospital District meeting of August 15, 2019 be adopted."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

REPORTS

Surplus Funding Request

Moved by Director Greenaway
 Seconded by Director Watt-Senner

SNRHD.2019-7-3

“That the Stuart-Nechako Regional Hospital District Board of Directors contribute an additional \$85,448 to the Pines Cafeteria Expansion Project.”

Opposed: Director Parker CARRIED
 Director Riis-Christianson

(All/Directors/Majority)

Discussion took place regarding the surplus funds from the Fraser Lake Health Centre X-Ray Project to be used for a future roofing project at the Centre. The utilization of the surplus funds for future projects and the history of the Pines Cafeteria Expansion Project was discussed.

Second Quarter Summary (End of September 2019)

Moved by Director Greenaway
 Seconded by Director McGuire

SNRHD.2019-7-4

“That the Stuart-Nechako Regional Hospital District Board of Directors receive the Treasurer’s October 24, 2019 memo titled “Second Quarter Summary (End of September 2019).”

(All/Directors/Majority) CARRIED UNANIMOUSLY

Ratification of Accounts Payable

Moved by Director Riis-Christianson
 Seconded by Director Playfair

SNRHD.2019-7-5

“That the Stuart-Nechako Regional Hospital District Board of Directors ratify the payment requests from Northern Health between September 10, 2019 and October 8, 2019.”

(All/Directors/Majority) CARRIED UNANIMOUSLY

CORRESPONDENCE

Fort St. James Medical Clinic -Health and Wellness

Moved by Director Greenaway
 Seconded by Director Playfair

SNRHD.2019-7-6

“That the Stuart-Nechako Regional Hospital District Board of Directors receive the correspondence regarding the Fort St. James Medical Clinic – Health and Wellness Symposium.”

(All/Directors/Majority) CARRIED UNANIMOUSLY

VERBAL REPORTS

Granisle Health Centre

Director McGuire mentioned that negotiations are still taking place with School District 91 and Northern Health in regard to moving the Granisle Health Centre to a location at the Babine Elementary-Secondary School. The Health Centre will remain at its current location until April 2020 and service levels will remain in place.

VERBAL REPORTS (CONT'D)

Northern Health Annual General Meeting -October 21, 2019 in Prince George, B.C.

Director Greenaway along with Chair Petersen, Curtis Helgesen, Chief Administrative Officer and John Illes, Treasurer attended the Northern Health Annual General Meeting on October 21, 2019 in Prince George, B.C. Chair Petersen noted that he has a copy of the Five-Year Financial Plan for those that would like to review it. He commented that Northern Health has done a good job of disbursing funds amongst the projects to be completed in its five Hospital Districts.

Director Greenaway mentioned that a presentation was provided at the AGM in regard to technology to assist those with Parkinson's Disease for hand tremors. He mentioned that an event is taking place on November 6, 2019 at the University of Northern B.C. in Prince George that will include a demonstration on the technology and recommended that anyone impacted by Parkinson's Disease should attend.

Director Greenaway noted that Northern Health rescheduled the meeting that was to take place at UBCM after the AGM and the following was discussed:

- Stuart Nechako Manor
 - o Renovations from the fire in Spring 2019 will be complete in December 2020
 - o The renovations revealed other issues that will need to be addressed such as the roof. Chair Petersen indicated that Northern Health will not be requesting a financial contribution when the roof requires replacement
 - o One individual is still currently displaced and waiting to move back into the Manor
 - o Highly stressful event for the occupants of the Manor
 - o Some individuals passed away prior to the renovations being completed
- Fort St. James Primary Health Care Facility
 - o Phase 1 opening has been postponed three weeks
 - o Phase 2 will be complete in January 2020
- Fort St. James Hospital Project
 - o Business Plan to be completed end of 2019 to be submitted to the Province
 - o Construction to potentially begin in 2021 and is approximately a five-year construction build.

Lakes District Hospital and Health Centre Working Groups

Director Funk noted that the Lakes District Hospital and Health Centre is forming endoscopy and perinatal working groups to work on expanding services at the facility.

Doctor Recruitment and Retention in Vanderhoof

Director Thiessen reported that Vanderhoof has lost six doctors in the past year and is working with Northern Health to attract and retain new doctors and one doctor has been recruited.

Children's Hospital Fundraiser -Vanderhoof

Director Thiessen commented that the Children's Hospital Fundraiser hosted in Vanderhoof on October 18, 2019 raised approximately \$60,000.

Receipt of Verbal Reports

Moved by Director Greenaway
 Seconded by Director Playfair

SNRHD-2019-7-7

"That the verbal reports of the various Stuart-Nechako Regional Hospital District Board of Directors be received."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

ADJOURNMENT

Moved by Director McGuire
Seconded by Director Playfair

SNRHD.2019-7-8

“That the meeting be adjourned at 10:45 a.m.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

Jerry Petersen, Chairperson

Wendy Wainwright, Executive Assistant

Stuart-Nechako

Regional Hospital District

Memo

To: Chair Petersen and the Board of Directors
From: John Illes, Treasurer
Date: January 9, 2020
Regarding: Capital Grant Bylaw 75 Pines Cafeteria Contribution

Recommendation: (all/directors/majority)

“That the Board of the Stuart-Nechako Regional Hospital District give Bylaw 75 three readings and adoption.”

Discussion:

On the October 24th Hospital District meeting, the Board passed a motion to contribute an additional \$85,448 to the Pines Cafeteria Project. This amount was surplus from X-Ray project for Fraser Lake.

Bylaw 75 is attached to this memo and approval of this bylaw will allow the Treasurer to provide the additional funds to Northern Health.

Stuart-Nechako

Regional Hospital District

Memo

To: Chair Petersen and the Board of Directors
From: John Illes, Treasurer
Date: January 9, 2020
Regarding: Initial Budget Discussion

Recommendation: (all/directors/majority)

“That the Board of the Stuart-Nechako Regional Hospital District direct staff to:

1. Contribute any surplus realized during a calendar year to the Hospital District Capital Reserve.
2. Bring a budget bylaw forward to the January 23, 2020 meeting for three readings and adoption based on the prior year’s requisition plus B. C. Assessment’s non-market assessment change for 2020.
3. Bring a capital expenditure bylaw forward to the January 23, 2020 meeting for three readings and adoption based on a contribution maximum of the lesser of \$20.261 Million or 20% of the total capital costs (including the costs associated with and contributed for the business plan) for the Stuart Lake Hospital.”

Discussion:

Maintaining Current Taxation:

The 2020 Stuart-Nechako Hospital District Budget is based on the premise of maintaining the same tax. Both the Regional District and the Hospital Districts do not directly tax property owners but instead requisition the province and the member municipalities an amount. This amount is like an invoice – it is recorded immediately as a liability on the municipalities’ or province’s books. The province and the member municipalities then recover this money by taxing property owners within their jurisdiction.

Therefore, the Hospital District does not set tax rates. However, the Financial Department can make a good estimate of the tax rate that will result from a requisition.

There are three methods to maintain the same level of taxation:

1. Maintain the same requisition amount with an increase for non-market assessments,
2. Maintain the same estimated tax rate, or
3. Maintain the same requisition amount.

Option 1 has the benefit of maintaining the same amount of money that is collected from the average tax payer as last year. That is, if last year's taxes collected from an average household was \$250 then this year's taxes collected from the average household will be \$250. It also has the benefit of slowly increasing the net requisition over time as a result of the increases achieved from non-market (new construction) accumulate. This is the recommended option for maintaining the same tax level.

Option 2 will increase the net tax per household as the market assessments increase. That is, if the average household increases in value by 4% then the amount of taxes collected per household will increase by 4%. So if the average household paid \$250 last year, this year they will pay \$260. The opposite will occur if the real estate market declines.

Option 3, is to maintain the same level of funds received by the Hospital District, which will generally see taxes decrease as more property is developed. Here the total requisition will be spread over more houses as property is developed.

In future years, the Board should also consider increasing the requisition by an amount equal to inflation to account for the increased costs associated with equipment and construction.

Cost Estimates for 2020 Equipment and Construction

In 2020 there are \$650,953 in requests for upgrades to St. John Hospital in Vanderhoof. There is also a major project estimated at \$260,000 for leasehold improvements for the relocating of the Granisle Health Centre.

Equipment and building integrity grants remain at \$201,000 for this year, similar to previous years.

Major IT projects are \$232,071 and include the move to electronic personal health records for community health, emergency services and hospital visits. Northern Health has provided IT cost estimates for the next four years and these are included in the budget.

There are no major equipment purchases scheduled until 2022, with the first notable equipment replacement being the St. John Hospital Ultrasound replacement in 2023.

The Stuart Lake Hospital Business Plan is estimating the Hospital District's share of the construction at \$20,261,000. Total project costs are expected to be in the neighborhood of \$110,000,000. The current construction estimates are 36% higher than those provided at the beginning of 2019.

There are several major capital projects that are identified in future years. These include major renovations or replacement of the Health Care Centre in Fraser Lake with an initial total cost estimate of \$25,000,00, St. John Hospital Cancer Clinic Renovation

with a cost estimate of \$713,000, Stuart Nechako Manor Roof Upgrade (if needed) at a cost of \$3,000,000 and additional residential care beds (in various locations) with an estimate of \$7,000,000. These estimates are the total cost to be shared by the Hospital District, Northern Health and the Province. The timing of these projects may have a major impact on the cash flow for the Hospital District. If these projects were to happen early, for example in 2023 or 2024, the Hospital District would need to increase taxation or borrow funds or both. If the projects were to be paced evenly over the next eight years, then the current taxation would be sufficient to fund these projects.

There are other projects in preliminary discussion phases that are absent from this analysis such as the Vanderhoof Primary Care project. These projects would add additional pressure to the Hospital District budget in future years.

Borrowing

The long-term budget analysis assumes that the Hospital District will borrow \$5,000,000 from the Municipal Finance Authority for a period of five years. This borrowing is currently planned for 2022. A borrowing authorization bylaw will be required in the Fall of 2021. This short-term borrowing will allow the Hospital District to begin to save funds for its largest future project, the major renovation or replacement of St. John Hospital.

Budget Approval and Capital Grant Bylaw for Stuart Lake Hospital

The amount of contribution from a Hospital District to a Health Authority project is not legislated and for major projects is a political negotiation. The Province (and for some smaller projects, the Health Authority), to some extent, determine which projects will move forward each year based on the total cost to the Province (or to the Health Authority).

It is expected that the Business Plan for Stuart Lake Hospital will be approved based on the Hospital District's contribution of 20% of the total costs of the Hospital (including the Business Plan). While the cost estimate for construction in the Business Plan is expected to be fairly accurate, there is a possibility that the bid tenders for the project could be higher than expected.

Preparing a Contribution Grant Bylaw for the Stuart Lake Hospital for a maximum of 20% of the current estimated costs of the hospital at the next meeting, will demonstrate a willingness to move forward to the construction stage while sending a message of fiscal prudence.

The preliminary budget is attached and will be presented in the meeting.

Stuart Nechako Regional Hospital District - 2020 Budget and 2021 Provisional Budget
Schedule A

	2019 Actual	2019 BUDGET	2020 Provisional Budget	2021 Preliminary Budget	2022 Preliminary Budget	2023 Preliminary Budget	2024 Preliminary Budget	2025 Preliminary Budget	2026 Preliminary Budget	2027 Preliminary Budget	2028 Preliminary Budget
Surplus Carryforward	\$ 134,798	\$ 134,798									
Grant In Lieu of Taxes	\$ 12,732	\$ 6,000	\$ 12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Taxation	\$ 4,652,184	\$ 4,652,184	4,652,184	4,652,184	4,652,184	4,652,184	4,652,184	4,652,184	4,652,184	4,652,184	4,652,184
Withdrawal from Reserves		\$ -		4,797,427				431,816	398,816	1,213,816	
Proceeds from Debentures	\$ -	\$ -			4,950,000					50,000	
Total	\$ 4,664,916	\$ 4,658,184	\$ 4,664,184	\$ 9,461,611	\$ 9,614,184	\$ 4,664,184	\$ 4,664,184	\$ 5,096,000	\$ 5,063,000	\$ 5,928,000	\$ 4,664,184
Business Planning	\$ 1,157,567	\$ 3,000,000	1,842,433								
Major Capital Project >\$5M	\$ -		1,000,000	9,000,000	9,000,000	1,261,000		3,500,000	3,500,000	3,000,000	
Major Capital Project <\$5M	\$ 865,448	\$ 1,161,520	910,953			1,490,000				1,400,000	1,400,000
Major Equipment	\$ 145,507	\$ 169,400			40,000	99,200					
Building Integrity and Minor Capital	\$ 177,000	\$ 177,000	201,000	204,540	208,151	212,000	214,000	216,000	218,000	218,000	218,000
IT Projects	\$ 236,956	\$ 260,062	201,200	232,071	198,240	347,628	250,000	250,000	250,000	250,000	250,000
Administration	\$ 19,182	\$ 25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Repayment of Debt			-	-	43,750	1,175,000	1,140,000	1,105,000	1,070,000	1,035,000	-
	\$ 2,601,660	\$ 4,900,865	\$ 4,180,586	\$ 9,461,611	\$ 9,515,141	\$ 4,609,828	\$ 1,629,000	\$ 5,096,000	\$ 5,063,000	\$ 5,928,000	\$ 1,893,000
NET	\$ 2,063,256	\$ -	\$ 483,598	\$ -	\$ 99,043	\$ 54,356	\$ 3,035,184	\$ -	\$ -	\$ -	\$ 2,771,184
NET and SURPLUS (2018)	\$ 2,198,054										
RESERVES											
Opening	\$ 3,627,480	\$ 3,627,480	\$ 3,728,897	\$ 1,215,289	\$ 1,726,838	\$ 1,766,556	\$ 1,906,229	\$ 1,572,613	\$ 4,245,151	\$ 3,128,973	\$ 3,200,940
Contribution		\$ -	\$ 2,198,054	\$ 483,598	\$ -	\$ 99,043	\$ 54,356	\$ 3,035,184	\$ -	\$ -	\$ -
Interest	\$ 101,417	\$ 107,883	\$ 85,764.63	\$ 27,951.64	\$ 39,717.28	\$ 40,630.78	\$ 43,843.27	\$ 36,170.09	\$ 97,638.47	\$ 71,966.38	\$ 73,621.61
Closing	\$ 3,728,897	\$ 3,703,980	\$ 6,012,716	\$ 1,726,838	\$ 1,766,556	\$ 1,906,229	\$ 2,004,429	\$ 4,643,967	\$ 4,342,789	\$ 3,200,940	\$ 3,274,561

Stuart-Nechako

Regional Hospital District

Memo

To: Chair Petersen and the Board of Directors
From: John Illes, Treasurer
Date: January 9, 2020
Regarding: Year End Draft Financial Statements

Recommendation: (all/directors/majority)

“That the Board of the Stuart-Nechako Regional Hospital District receive the year-end draft financial statements.”

Discussion:

The only identified item to note is that the Stuart Lake Hospital Business Plan utilized only just over \$1.0 Million of the projected \$3.0 Million identified in the expenditure Bylaw. If there is surplus in the Business Plan project, any excess funds will be utilized for the Stuart Lake Hospital Construction.

STUART NECHAKO REGIONAL HOSPITAL DISTRICT
 JANUARY 1, 2019 TO DECEMBER 31, 2019

STATEMENT OF OPERATIONS	ACTUAL (ESTIMATED)	BUDGET
GRANT IN LIEU OF TAXATION	\$ 12,732	\$ 6,000
TAXATION	\$ 4,652,184	\$ 4,652,184
INTEREST	\$ <u>101,417</u>	\$ <u>107,883</u>
	\$ 4,766,333	\$ 4,766,067
CAPITAL GRANTS*	\$ (2,405,478)	\$ (4,590,982)
MINOR GRANT	\$ (177,000)	\$ (177,000)
BANK CHARGES	\$ (64)	\$ (500)
ADMINISTRATION AND AUDIT	\$ (14,850)	\$ (18,000)
DIRECTORS REMUNERATION AND TRAVEL	\$ <u>(4,268)</u>	\$ <u>(6,500)</u>
	\$ (2,601,660)	\$ (4,792,982)
NET	\$ <u>2,164,673</u>	\$ <u>(26,915)</u>
*CAPITAL GRANTS		
ST. J. H AND SS PHONE UPGRADE	\$ 105,200.00	
S L HOSPITAL BUSINESS PLANNING	\$ 1,157,567.11	
FORT ST JAMES PRIMARY	\$ 680,000.00	
PINES ADDITIONAL	\$ 185,448.00	
VANDERHOOF C-ARM	\$ 40,306.96	
IT PROJECTS	\$ <u>236,956.00</u>	
	\$ 2,405,478.07	

STUART NECHAKO REGIONAL HOSPITAL DISTRICT
JANUARY 1, 2019 TO DECEMBER 31, 2019

STATEMENT OF FINANCIAL POSITION (AS OF DECEMBER 31, 2019)

CASH AND CASH EQUIVALENTS	\$ 308,808
SHORT TERM INVESTMENTS	<u>\$ 5,814,085</u>
	\$ 6,122,893
ACCOUNTS PAYABLE (NH)	\$ (176,823)
ACCOUNTS PAYABLE (RDBN)	<u>\$ (19,118)</u>
	\$ (195,941)
NET ASSETS	\$ 5,926,952

NOV 01 2019

REGIONAL DISTRICT OF
BULKLEY-NECHAKO

Board & Administration Office
#600 - 299 Victoria Street,
Prince George, BC V2L 5B8
Telephone: (250) 565-2922
www.northernhealth.ca

October 29, 2019

Chair Jerry Peterson
Stuart Nechako Regional Hospital District
Box 820, 37-3rd Avenue
Burns Lake, BC
V0J 1E0

Dear Chair Peterson:

Re: Union of BC Municipalities Convention – September 2019

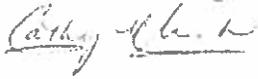
Please accept our apologies for the last minute cancellation of the Northern Health stakeholder meetings at the September 2019 Union of BC Municipalities Convention. Thank you for meeting with us at the recent Northern Health and Regional Hospital District meetings in Prince George.

There were several topics you identified for discussion:

1. Stuart Nechako Manor "D" pod – Construction is well underway to remediate the fire damage in "D" pod. The current estimated date of completion is mid-December 2019. More precise completion dates will be available in mid-November as construction proceeds. Most of the residents of Stuart Nechako Manor who were displaced are back in Vanderhoof. There are two residents who remain at Gateway Lodge in Prince George.
2. Stuart Lake Hospital and Health Centre Replacement – Northern Health is in the final stages of developing a business plan for the replacement of the Stuart Lake Hospital and Health Centre. We expect that the business plan will be completed and approved by the Northern Health Board in December for submission to the Ministry of Health. Northern Health is conducting a separate Helipad review process in collaboration with BCEHS and informed by Transport Canada.
3. Fort St. James Primary Care Facility update – Northern Health was expecting to be able to move into the new primary care facility in mid-October. Due to some construction delays, we will not be moving Northern Health's staff into the facility until mid-November. Despite this delay, the space will provide a vast improvement for the primary care medical clinic and Northern Health's community service staff.
4. Ministry of Agriculture Regulations regarding second dwellings on properties within the Agriculture Land Reserve – Thank you for forwarding the information detailing the regulation changes. We were not aware of this change in regulation. It is important that the implications of these changes for rural families in the north is communicated to government as you have done at UBCM.

We look forward to having the opportunity to meet with you at the May 2020 North Central Local Government Association Convention in Prince George.

Sincerely,



Cathy Ulrich
President & Chief Executive Officer
Northern Health

cc. Colleen Nyce, Chair, Northern Health Board
Penny Anguish, Chief Operating Officer, Northern Interior
Michael Hoefler, Regional Director, Capital Planning and Support Services