

OPEN MEETING AGENDA

Wednesday, March 20, 2019

7:00 pm

FVRD Boardroom, 45950 Cheam Avenue, Chilliwack, BC

Pages

1. CALL TO ORDER

2. APPROVAL OF AGENDA, ADDENDA AND LATE ITEMS

All/Unweighted

MOTION FOR CONSIDERATION

THAT the Agenda, Addenda and Late Items for the Fraser Valley Regional Hospital District Board Open Meeting of March 20, 2019 be approved:

AND THAT all delegations, reports, correspondence and other information set to the Agenda be received for information.

3. MINUTES / MATTERS ARISING

3.1 Fraser Valley Regional Hospital District Board - February 26, 2019

4 - 7

All/Unweighted

MOTION FOR CONSIDERATION

THAT the Minutes of the Fraser Valley Regional Hospital District Board Open Meeting of February 26, 2019 be adopted.

4. NEW BUSINESS

4.1 FVRHD 2019-2023 Annual Budget Bylaw No. 0073, 2019

8 - 13

Motion No. 1: First Reading - All/Weighted

Motion No. 2: Second and Third Reading - All/Weighted

Motion No. 3: Adoption - All/Weighted (2/3 Majority)

- Corporate report dated March 20, 2019 from Mike Veenbaas, Director of Financial Services
- Draft Bylaw No. 0073, 2019

MOTION FOR CONSIDERATION

MOTION NO. 1: THAT the Fraser Valley Regional Hospital District Board consider giving first reading to the bylaw cited as *Fraser Valley Regional Hospital District 2019 Annual Budget bylaw No. 0073, 2019*.

MOTION FOR CONSIDERATION

MOTION NO. 2: THAT the Fraser Valley Regional Hospital District Board consider giving second and third reading to the bylaw cited as *Fraser Valley Regional Hospital District 2019 Annual Budget bylaw No. 0073, 2019*.

MOTION FOR CONSIDERATION

MOTION NO. 3: THAT the Fraser Valley Regional Hospital District Board consider adopting the bylaw cited as *Fraser Valley Regional Hospital District 2019 Annual Budget bylaw No. 0073, 2019*.

5. REPORTS FROM BOARD DIRECTORS
6. ADDENDA ITEMS/LATE ITEMS
7. PUBLIC QUESTION PERIOD FOR ITEMS RELEVANT TO AGENDA
8. RESOLUTION TO CLOSE MEETING

All/Unweighted

MOTION FOR CONSIDERATION

THAT the meeting be closed to the public, except for Senior Staff and the Executive Assistant for the purpose of receiving and adopting Closed Meeting Minutes convened in accordance to Section 90 of the *Community Charter* and to consider matters pursuant to:

- Section 90(1)(e) of the *Community Charter* - the acquisition, disposition or expropriation of land or improvements, if the Board considers that disclosure could reasonably be expected to harm the interests of the regional district;
- Section 90(1)(g) of the *Community Charter* - litigation or potential litigation affecting the regional district; and
- Section 90(1)(k) of the *Community Charter* - negotiations and related discussions respecting the proposed provision of a regional district service that are at their preliminary stages and that, in the view of the Board, could reasonably be expected to harm the interests of the regional district if they were held in public.

R E C E S S

9. RECONVENE OPEN MEETING
10. RISE AND REPORT

11. ADJOURNMENT

All/Unweighted

MOTION FOR CONSIDERATION

THAT the Fraser Valley Regional Hospital District Board Open Meeting of March 20, 2019 be adjourned.

FRASER VALLEY REGIONAL HOSPITAL DISTRICT
BOARD MEETING
OPEN MEETING MINUTES

Tuesday, February 26, 2019
7:00 pm

FVRD Boardroom, 45950 Cheam Avenue, Chilliwack, BC

Members Present:

Director Jason Lum, City of Chilliwack, Chair
Director Dennis Adamson, Electoral Area B
Director Pam Alexis, District of Mission
Director Wendy Bales, Electoral Area C
Director Henry Braun, City of Abbotsford
Director Kelly Chahal, City of Abbotsford
Director Hugh Davidson, Electoral Area F
Director Bill Dickey, Electoral Area D
Director Taryn Dixon, Electoral Area H
Director Orion Engar, Electoral Area E
Director Leo Facio, Village of Harrison Hot Springs
Director Brenda Falk, City of Abbotsford
Director Carol Hamilton, District of Mission
Director Chris Kloot, City of Chilliwack
Director Dave Loewen, City of Abbotsford
Director Bud Mercer, City of Chilliwack
Director Ken Popove, City of Chilliwack
Director Sylvia Pranger, District of Kent
Director Terry Raymond, Electoral Area A
Director Peter Robb, District of Hope
Director Patricia Ross, City of Abbotsford, Vice Chair
Director Ross Siemens, City of Abbotsford
Director Al Stobbart, Electoral Area G

Staff Present:

Paul Gipps, Chief Administrative Officer
Barclay Pitkethly, Director of Regional Programs
Tareq Islam, Director of Engineering & Community Services
Margaret-Ann Thornton, Director of Planning & Development
Stacey Barker, Deputy Director of Regional Programs
Jennifer Kinneman, Director of Corporate Affairs
Jaime Reilly, Manager of Corporate Administration
Matthew Fang, Support Analyst

Chris Lee, Executive Assistant
Maggie Mazurkewich, Executive Assistant to CAO and Board
(Recording Secretary)

There were also 3 members of the public present.

1. CALL TO ORDER

Chair Braun called the meeting to order at 7:00 p.m.

2. APPROVAL OF AGENDA, ADDENDA AND LATE ITEMS

Moved By LUM
Seconded By RAYMOND

THAT the Agenda, Addenda and Late Items for the Fraser Valley Regional Hospital District Board Open Meeting of February 26, 2019 be approved:

AND THAT all delegations, reports, correspondence and other information set to the Agenda be received for information.

CARRIED

All/Unweighted

3. MINUTES / MATTERS ARISING

3.1 Fraser Valley Regional Hospital District Board - December 19, 2018

Moved By LUM
Seconded By RAYMOND

THAT the Minutes of the Fraser Valley Regional Hospital District Board Open Meeting of December 19, 2018 be adopted.

CARRIED

All/Unweighted

4. NEW BUSINESS

4.1 Mary Street Parking Lot – 2018 Statement of Financial Activities

The corporate report dated February 26, 2019 from Mike Veenbaas, Director of Financial Services with respect to the Mary Street Parking Lot – 2018 Statement of Activities was provided for information.

5. REPORTS FROM BOARD DIRECTORS

No reports

6. ADDENDA ITEMS/LATE ITEMS

None

7. PUBLIC QUESTION PERIOD FOR ITEMS RELEVANT TO AGENDA

None

8. RESOLUTION TO CLOSE MEETING

Moved By KLOOT
Seconded By STOBART

THAT the meeting be closed to the public, except for Senior Staff and the Executive Assistant for the purpose of receiving and adopting Closed Meeting Minutes convened in accordance to Section 90 of the *Community Charter* and to consider matters pursuant to:

- Section 90(1)(e) of the *Community Charter* - the acquisition, disposition or expropriation of land or improvements, if the Board considers that disclosure could reasonably be expected to harm the interests of the regional district; and
- Section 90(1)(k) of the *Community Charter* - negotiations and related discussions respecting the proposed provision of a regional district service that are at their preliminary stages and that, in the view of the Board, could reasonably be expected to harm the interests of the regional district if they were held in public.

CARRIED

All/Unweighted

The Open Meeting recessed at 7:01 p.m.

9. RECONVENE OPEN MEETING

The Open Meeting reconvened at 8:26 p.m.

10. RISE AND REPORT

None

11. ADJOURNMENT

Moved By FALK
Seconded By MERCER

THAT the Fraser Valley Regional Hospital District Board Open Meeting of February 26, 2019 be adjourned.

CARRIED

All/Unweighted

The Fraser Valley Regional District Board Meeting adjourned at 8:27 p.m.

MINUTES CERTIFIED CORRECT:

.....
Director Henry Braun, Chair

.....
Corporate Officer/Deputy Officer



CORPORATE REPORT

To: CAO for the Fraser Valley Regional Hospital District Board

Date: March 20, 2019

From: Mike Veenbaas, Director of Financial Services

File No: HD1700 / 30

Subject: 2019-2023 Annual Budget Bylaw No. 0073, 2019

RECOMMENDATION

THAT the Fraser Valley Regional Hospital District Board consider giving three readings and adoption to *Fraser Valley Regional Hospital District 2019 Annual Budget bylaw No. 0073, 2019*.

BACKGROUND

In December 2018, the Hospital District Board adopted the 2019 Provisional Budget and as per Section 23 of the Hospital District Act, the Board must consider and adopt a 2019 Annual Budget bylaw by March 31, 2019.

DISCUSSION

The 2019 Annual Budget is being presented to the Board for consideration following the adoption of the 2019 Provisional Budget. The 2019 Annual Budget reflects actual financial results realized in 2018 and any new information received since the provisional budget. This includes a slight adjustment to expected non-market change growth from 2.0% up to 2.8% based on the 2019 BC Assessment Completed Roll.

Administration Recovery – Regional District

The budget proposal includes an increase in the Administration Recovery that is allocated back to the Regional District as no staffing, building or administrative costs are directly expensed to the Hospital District budget. Prior to 2018, the recovery level had been unchanged for 5 years at \$294,000. To address the many years of costs increasing without a corresponding recovery increase and to recognize the increased focus on Hospital District operations and capital planning, the Board supported an increase to \$350,000 for 2018. Staff are proposing to see the final increase to \$400,000 be incorporated into the 2019 budget.

The Administration Recovery recognizes the costs associated with supporting the Hospital District function and the synergies created by co-administering it alongside the Regional District. The internal costs include the shared building, shared fleet and shared IT infrastructure & financial software system along with staffing resources from administration, finance, corporate affairs, and engineering. External costs include an allocated share of the annual financial audit.

Early Debt Retirement Reserve

The 2019 budget continues with the Board directive of allocating funds to a new operating reserve called "Early Debt Retirement" which will provide options for the Board at the time of debenture refinancing. The funding comes from interest savings on existing debt refinanced and requisition increases from new construction growth. The projected balance in this reserve at the end of 2019 is \$1.4 million.

There are two debt refinancing options available in 2019, Issue 105 and Issue 106. The table below summarizes their particulars:

Issue #	Maturity	Interest Rate	Pay Down Date	Original Loan	Pay Down Amount
105	2029	4.90%	Jun 3, 2019	\$4,750,000	\$2,834,866
106	2029	4.13%	Oct 13, 2019	\$10,000,000	\$5,968,139

Information from the Municipal Finance Authorities website estimates 5 year borrowing in the Spring Issue to be around 2.60% which will almost reduce the interest payments on the above issues by 50%. Combined annual interest payments currently are \$645,750.

To help the Board in consider allocating funding from the Early Debt Retirement Reserve, it is prudent to consider the Investment returns on hospital district reserves. While interest rates have increased over the past year, returns continue to remain on par or just lower than the estimated rate for the Spring Issue. As a result of the interest indifference, the decision to pay down debt earlier is more related to the Board wishing to accumulate a larger balance in the reserve for a future debt pay down vs. using the funds towards the 2019 pay down opportunities. Two smaller pay down opportunities exist in 2020 (\$2.9 million and \$1.6 million) that the Board may wish to consider.

Lastly, the proposed 2019 Annual Budget maintains the following items from the 2018 Annual Budget:

- Continuing to put funds into a Major Capital Projects reserve to be used to fund the Board's financial commitment to Fraser Health Authority (FHA) for regional healthcare projects.
- Continuing to allocate \$1.8 million per annum to fund the Hospital District's share of FHA minor and medium facility/equipment projects.

COST

The proposed 2019 Annual Budget maintains the base taxation requisition at existing levels while anticipating an additional \$312,900 to be collected from new construction assessment growth. This is in keeping with the Board resolution from the 2018 financial planning process to increase the requisition by non-market change assessment growth and to put aside these funds into an early debt retirement reserve.

CONCLUSION

The Hospital District Act requires the Board to adopt an annual budget by March 31st which is then used to set taxation rates. The proposed Annual budget aligns with the previously presented Provisional budget with a slight change to estimated requisition growth from new construction assessment based on the 2019 Completed Assessment Roll.

COMMENT BY:

Paul Gipps, Chief Administrative Officer

Reviewed and supported.

**FRASER VALLEY REGIONAL HOSPITAL DISTRICT
BYLAW NO. 0073, 2019**

A Bylaw to adopt the Hospital District Annual Budget for the Year 2019

The Fraser Valley Regional Hospital District Board of Directors enacts as follows:

1) CITATION

This bylaw may be cited as *Fraser Valley Regional Hospital District 2019 Annual Budget Bylaw No. 0073, 2019*.

2) ENACTMENTS

Schedules A and B attached hereto and an integral part of this bylaw is the Annual Budget for the Fraser Valley Regional Hospital District for the year ending the 31st day of December 2019.

3) SEVERABILITY

If a portion of this bylaw is found invalid by a court, it will be severed and the remainder of the bylaw will remain in effect.

4) READINGS AND ADOPTION

READ A FIRST TIME THIS _____ day of _____

READ A SECOND TIME THIS _____ day of _____

READ A THIRD TIME THIS _____ day of _____

ADOPTED THIS _____ day of _____

Chair/Vice-Chair

Corporate Officer/Deputy

5) CERTIFICATIONS

I hereby certify this is a true and correct copy of *Fraser Valley Regional Hospital District 2019 Annual Budget Bylaw No. 0073, 2019*, as adopted by the Fraser Valley Regional Hospital District Board of Directors on the

Dated at Chilliwack, B.C. this _____ day of _____

Corporate Officer/Deputy

FRASER VALLEY REGIONAL HOSPITAL DISTRICT
2019 ANNUAL BUDGET

Schedule A of Bylaw No. 0073, 2019

	2018 ANNUAL BUDGET	2018 ACTUAL	2019 ANNUAL BUDGET
REVENUE			
Tax Requisition	\$ 11,175,300	\$ 11,175,300	\$ 11,488,200
Grants in Lieu of Taxes	160,000	139,780	140,000
Interest Income	429,400	559,850	482,300
Miscellaneous Revenue	39,300	34,570	40,000
TOTAL REVENUE	\$ 11,804,000	\$ 11,909,500	\$ 12,150,500
EXPENSES			
Administration Recovery	\$ 350,000	\$ 350,000	\$ 400,000
Operating Expenses	14,680	43,690	14,680
Interest on Long Term Debt			
Abbotsford Hospital/Cancer Centre	743,100	743,100	743,100
Chilliwack General Hospital	973,330	973,330	973,330
Contributions to Hospital Foundations	-	-	-
Contributions to Fraser Health Authority			
Minor & Medium Equipment	1,800,000	1,800,000	1,800,000
Major Capital Projects	3,600,000	3,330,000	10,000,000
TOTAL EXPENDITURES	\$ 7,481,110	\$ 7,240,120	\$ 13,931,110
NET SURPLUS / (DEFICIT)	\$ 4,322,890	\$ 4,669,380	\$ (1,780,610)
FINANCING & RESERVE FUND ACTIVITIES			
Transfer From Reserve Funds			
Capital Reserves	5,400,000	5,143,100	11,800,000
Principal payments on Long Term Debt			
Abbotsford Hospital/Cancer Centre	(1,308,900)	(1,308,900)	(1,308,900)
Chilliwack General Hospital	(755,590)	(755,590)	(755,590)
Capital Acquisitions	-	-	-
Transfers To Reserve Funds			
Interest Earnings	(429,400)	(541,545)	(482,300)
Early Debt Retirement	(565,000)	(565,000)	(848,600)
Minor & Medium Equipment	(1,800,000)	(1,800,000)	(1,800,000)
Major Capital Projects	(4,864,000)	(4,864,000)	(4,824,000)
	\$ (4,322,890)	\$ (4,691,935)	\$ 1,780,610
NET SURPLUS (DEFICIT)	\$ -	\$ (22,555)	\$ -

FRASER VALLEY REGIONAL HOSPITAL DISTRICT

2019 ANNUAL BUDGET

Schedule B of Bylaw No. 0073, 2019

	2018 Financial Plan	2019 Financial Plan	2020 Financial Plan	2021 Financial Plan	2022 Financial Plan	2023 Financial Plan
REVENUES:						
Tax Rate Increase	0.00%	0.00%	0.00%	0.08%	0.08%	0.08%
Annual Revenue						
Tax Requisition	\$ 11,175,300	\$ 11,175,300	\$ 11,488,200	\$ 11,727,500	\$ 11,971,400	\$ 12,220,000
Tax Requisition - Growth	-	312,900	229,800	234,400	239,200	244,200
Grants in Lieu of Taxes	160,000	140,000	160,000	160,000	160,000	160,000
Interest Income	429,400	482,300	371,700	338,700	354,700	473,600
Miscellaneous Revenue	39,300	40,000	51,300	52,300	53,300	54,400
	<u>11,804,000</u>	<u>12,150,500</u>	<u>12,301,000</u>	<u>12,512,900</u>	<u>12,778,600</u>	<u>13,152,200</u>
Financing & Reserve Fund Activities:						
Reserve - Minor/Medium Equipment	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Reserve - Major Capital Projects	3,600,000	10,000,000	12,100,000	8,000,000	5,500,000	-
	<u>5,400,000</u>	<u>11,800,000</u>	<u>13,900,000</u>	<u>9,800,000</u>	<u>7,300,000</u>	<u>1,800,000</u>
Total Revenue	<u>\$ 17,204,000</u>	<u>\$ 23,950,500</u>	<u>\$ 26,201,000</u>	<u>\$ 22,312,900</u>	<u>\$ 20,078,600</u>	<u>\$ 14,952,200</u>
EXPENSES:						
Services & Supplies						
Administration Recovery - Regional District	\$ 350,000	\$ 400,000	\$ 410,000	\$ 420,000	\$ 430,000	\$ 440,000
Operating Expenses	14,680	14,680	16,680	17,180	17,680	18,180
Long Term Debt						
- Interest - AHCC	743,100	743,100	743,100	743,100	743,100	743,100
- Interest - CGH	973,330	973,330	973,330	973,330	973,330	973,330
Contribution to FHA Minor/Medium Equipment	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Contribution to FHA Major Capital	3,300,000	-	-	-	-	-
Contributions to Abbotsford Campus of Care	300,000	-	4,500,000	8,000,000	5,500,000	-
Contributions to Chilliwack Campus of Care	-	10,000,000	7,600,000	-	-	-
	<u>7,481,110</u>	<u>13,931,110</u>	<u>16,043,110</u>	<u>11,953,610</u>	<u>9,464,110</u>	<u>3,974,610</u>
Financing & Reserve Fund Activities:						
Long Term Debt						
- Principal - AHCC	1,308,900	1,308,900	1,308,900	1,308,900	1,308,900	1,308,900
- Principal - CGH	755,590	755,590	755,590	755,590	755,590	755,590
Capital Acquisitions	-	-	-	-	-	-
Transfer to Reserve - Interest Earnings	429,400	482,300	371,700	338,700	354,700	473,600
Transfer to Reserve - Early Debt Retirement	565,000	848,600	1,097,700	1,332,100	1,571,300	1,815,500
Transfer to Reserve - Minor/Medium Equip.	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Transfer to Reserve - Capital Projects	4,864,000	4,824,000	4,824,000	4,824,000	4,824,000	4,824,000
	<u>9,722,890</u>	<u>10,019,390</u>	<u>10,157,890</u>	<u>10,359,290</u>	<u>10,614,490</u>	<u>10,977,590</u>
Total Expenditure	<u>\$ 17,204,000</u>	<u>\$ 23,950,500</u>	<u>\$ 26,201,000</u>	<u>\$ 22,312,900</u>	<u>\$ 20,078,600</u>	<u>\$ 14,952,200</u>
NET SURPLUS (DEFICIT)	<u>\$ -</u>					