



CORPORATE REPORT

To: CAO for the Fraser Valley Regional Hospital District Board

Date: December 18, 2019

From: Mike Veenbaas, Director of Financial Services

File No: 3920-20

Subject: 2020 Hospital District Provisional Budget

RECOMMENDATION

THAT the Fraser Valley Regional Hospital District Board consider giving three readings and adoption to *Fraser Valley Regional Hospital District Provisional Budget Bylaw No. 0074, 2019*.

BACKGROUND

Attached is the Regional Hospital District 2020-2024 Provisional Budget bylaw for consideration. Section 23 of the Hospital District Act states the Board must adopt for 2020 a Provisional Budget by December 31, 2019 and an Annual Budget by March 31, 2020.

DISCUSSION

With the legislative deadline approaching to adopt a 2020 Provisional Budget and the understanding that the Annual Budget (to be adopted prior to March 31st, 2020) is the budget for which the 2020 property tax requisition is based on, Staff are proposing a 2020 Provisional Budget much aligned with the 2019 Annual Budget.

Specifically, the proposed 2020 Provisional Budget includes the following adjustments from the 2019 Annual Budget:

- Annual increases to the funding from tax requisition in keeping with projected non-market change (new construction) assessment growth in the region. The Provisional Budget has been prepared using 2.0% which is based on the preliminary information provided by BC Assessment. The 2020 Annual Budget that will come before the Board early 2020 will be based on the 2020 Revised Assessment Roll growth information.
- Updated revenue and associated operating expenses for the Mary St. parking lot.
- Updating the contribution to the operating reserve called "Early Debt Retirement" which provides options for the Board at the time of debenture refinancing. Funding comes from interest savings on existing debt refinanced and requisition increase from new construction growth. For 2020 this total is estimated at \$1,107,700.

In addition, the proposed 2020 Provisional Budget continues with the following items from the 2019 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 the Abbotsford and Chilliwack Residential healthcare projects,
- continuing to allocate \$1.8 million per annum to fund FVRHD's share of Fraser Health's minor and medium facility/equipment projects,

The provisional budget authorizes payments for expenses related to the Hospital District prior to the annual budget being passed by the Board.

The Board will have the opportunity to further discuss and provide direction regarding the 2020 Annual Budget prior to March 31, 2020.

COST

As authorized within the 2020 Provisional Budget.

CONCLUSION

The Hospital District must pass a 2020 Provisional Budget prior to December 31, 2019, even though the 2020 Annual Budget is what the 2020 Property Tax Requisition will be based on. The Provisional Budget is based on the 2019 Annual Budget.

COMMENT BY:

Jennifer Kinneman, Acting Chief Administrative Officer

Reviewed and supported.