



STAFF REPORT

To: Fraser Valley Regional Hospital District Board

Date: 2025-03-27

From: Kelly Lownsborough, Director of Corporate Services & CFO

Subject: 2025 Hospital District Annual Budget

Reviewed by: Jennifer Kinneman

RECOMMENDATION

THAT the Fraser Valley Regional Hospital District give three readings and adoption to the bylaw cited as *Fraser Valley Regional Hospital District 2025 Annual Budget Bylaw No. 0087, 2025*.

BACKGROUND

In December 2024, the Fraser Valley Regional Hospital District Board adopted the 2025 Provisional Budget bylaw. As per Section 23 of the Hospital District Act, the Board must consider and adopt the 2025 Annual Budget bylaw by March 31, 2025.

The Hospital District Budget Assumptions were presented to the Board on February 27, 2025, and a motion was passed to support capital funding for Fraser Health Authority of \$5 million and an increase in overall taxation revenue of 15 percent (as compared to 2024).

DISCUSSION

Staff continue to work with FHA staff to improve the capital planning process in order for FVRHD to have early insight into the capital planning requirements such that taxation funding requirements can be evaluated in advance and planned in a fiscally responsible manner that is supported by the Board. In its November 2024 funding request letter, FHA outlined a total capital budget of \$52.45 million for projects within the Fraser East region, funded by \$29.3m from Fraser Health (56%), Foundation / other \$5.4m (10%) and FVRHD at \$17.75m (34%), yet requested \$5m. The Hospital District Board approved capital funding to Fraser Health Authority in the amount of \$5 million.

The 2025 Annual Budget reflects the Provisional Budget, which was presented to the Board in December 2024 and incorporates the key assumptions that were approved in February 2025. The sections below provide a high-level overview of notable items within the Budget.

REVENUES

The Budget has been prepared using 15% growth of taxation revenue, to ensure the Hospital District has sufficient reserves for upcoming capital projects. For context, this is an approximate \$12 per year increase to the average residential property in the Fraser Valley Regional District.

Interest income has increased due to changes in timing for long-term care funding disbursements, while miscellaneous Revenue (including Mary Street parking lot user fees) has slightly increased to closer align to user fees observed in 2024.

EXPENSES

Administration Recovery expense is based on FVRD resources allocated to support hospital district business. This line item also includes a full-time planner position as a pilot project for three years, which was budgeted in 2023 and 2024 but is forecasted to start in 2025 (funded through prior year surplus).

Contributions to Fraser Health Authority

- **The Hospital District received Fraser Health Authority's ("FHA") annual Capital Funding Request** in November 2024. FHA has requested \$5 million from the Hospital District, which has been approved by the FVRHD Board.

Major Capital Projects

- The budget includes **disbursements based upon the Board's financial commitments to Fraser Health** for long-term healthcare projects.
 - For the Abbotsford long-term care project, this represents a total commitment of \$31.6 million (\$20.1 million from reserves and \$11.5 million in new borrowing in 2025).
 - For the Chilliwack long-term care project, this represents a total commitment of \$28 million (\$14.9 million from reserve funds and \$13.1 million in new borrowing in 2026). In addition to the capital contribution, the Board committed to the contribution of land valued at \$6.6 million, which FHA no longer requires. The property will continue to be owned by the FVRHD as an asset at this time.

COST

There are no direct costs associated with the adoption of this bylaw.

CONCLUSION

The Hospital District Act requires the Board to adopt an annual budget by March 31st of each year, which is then used to set taxation rates. The proposed Annual Budget aligns with the Provisional Budget and Budget Assumptions approved by the Board, in December 2024 and February 2025 respectively.