



Notice of Meeting and Meeting Agenda Capital Regional Hospital District Board

Wednesday, November 13, 2024

1:10 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

1. CALL TO ORDER

2. TERRITORIAL ACKNOWLEDGEMENT

3. ELECTION OF THE CHAIR OF THE HOSPITAL DISTRICT BOARD

4. ELECTION OF THE ACTING CHAIR OF THE HOSPITAL DISTRICT BOARD

5. INAUGURAL ADDRESS OF THE CHAIR

6. APPROVAL OF THE AGENDA

7. ADOPTION OF MINUTES

- 7.1. [24-1158](#) Minutes of the June 12, 2024 Capital Regional Hospital District Board Meeting

Recommendation: That the minutes of the Capital Regional Hospital District Board meeting of June 12, 2024 be adopted as circulated.

Attachments: [Minutes - June 12, 2024](#)

8. PRESENTATIONS/DELEGATIONS

The public are welcome to attend CRD Board meetings in-person.

Delegations will have the option to participate electronically. Please complete the online application at www.crd.bc.ca/address no later than 4:30 pm two days before the meeting and staff will respond with details.

Alternatively, you may email your comments on an agenda item to the CRD Board at crdboard@crd.bc.ca.

9. CONSENT AGENDA

10. ADMINISTRATION REPORTS

11. REPORTS OF COMMITTEES

11.1. [24-907](#) Revenue Anticipation Borrowing Resolution for Current Capital Regional Hospital District Operating Expenditures

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:
That the Revenue Anticipation Resolution be adopted to allow the temporary borrowing of up to \$11 million for current Capital Regional Hospital District operating expenditures. (WA)

Attachments: [Staff Report: Revenue Anticipation Resolution CRHD Op Expenditures](#)
[Appendix A: Revenue Anticipation Resolution CRHD](#)

12. BYLAWS

13. NOTICE(S) OF MOTION

14. NEW BUSINESS

15. ADJOURNMENT

Voting Key:

NWA - Non-weighted vote of all Directors

NWP - Non-weighted vote of participants (as listed)

WA - Weighted vote of all Directors

WP - Weighted vote of participants (as listed)

Meeting Minutes

Capital Regional Hospital District Board

Wednesday, June 12, 2024

1:00 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

PRESENT

DIRECTORS: K. Murdoch (Chair), C. McNeil-Smith (Acting Chair), M. Alto (1:04 pm), P. Brent, S. Brice, J. Brownoff, J. Caradonna, C. Coleman, Z. de Vries, B. Desjardins, S. Goodmanson (1:04 pm), G. Holman, P. Jones, D. Kobayashi (EP), M. Little, D. Murdock, C. Plant, L. Szpak, M. Tait (EP), D. Thompson, S. Tobias, A. Wickheim, K. Williams, R. Windsor

STAFF: T. Robbins, Chief Administrative Officer; N. Chan, Chief Financial Officer; A. Fraser, General Manager, Integrated Water Services; L. Jones, General Manager, Parks, Recreation & Environmental Services; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services; M. Barnes, Senior Manager, Health and Capital Planning Strategies; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk (Recorder)

EP - Electronic Participation

The meeting was called to order at 1:01 pm.

1. TERRITORIAL ACKNOWLEDGEMENT

Acting Chair McNeil-Smith provided a Territorial Acknowledgement.

2. APPROVAL OF THE AGENDA

MOVED by Director Desjardins, **SECONDED** by Director McNeil-Smith,
That the agenda for the June 12, 2024 Session of the Capital Regional Hospital District Board be approved.

CARRIED

3. ADOPTION OF MINUTES

3.1. [24-540](#) Minutes of the May 8, 2024 Capital Regional Hospital District Board Meeting

MOVED by Director Desjardins, **SECONDED** by Director McNeil-Smith,
That the minutes of the Capital Regional Hospital District Board meeting of May 8, 2024 be adopted as circulated.

CARRIED

4. REPORT OF THE CHAIR

There were no Chair's remarks.

5. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

6. CONSENT AGENDA

There were no Consent Agenda items.

7. ADMINISTRATION REPORTS

There were no Administration Reports.

8. REPORTS OF COMMITTEES

- 8.1. [24-515](#) Victoria General Hospital High Performance Building Automation System Controls Update - Approval of Capital Bylaw No. 427

K. Lorette spoke to Item 8.1.

MOVED by Director McNeil-Smith, **SECONDED** by Director Desjardins,
1) That Capital Regional Hospital District (CRHD) funding in the amount of \$1,110,992 be approved for Victoria General Hospital High Performance Building Automation System Controls Update.
CARRIED

Directors Alto and Goodmanson joined the meeting in person at 1:04 pm.

MOVED by Director McNeil-Smith, **SECONDED** by Director Desjardins,
2) That CRHD Bylaw No. 427, "Capital Regional Hospital District Capital Bylaw No.196, 2024" be introduced and read a first, second, and third time.
CARRIED

MOVED by Director McNeil-Smith, **SECONDED** by Director Desjardins,
3) That CRHD Bylaw No. 427 be adopted.
CARRIED

8.2. [24-516](#) Royal Jubilee Hospital Diagnostic and Treatment Building Automation System Controls Update - Approval of Capital Bylaw No. 428

K. Lorette spoke to Item 8.2.

MOVED by Director McNeil-Smith, **SECONDED** by Director Desjardins,
1) That Capital Regional Hospital District (CRHD) funding in the amount of \$1,078,376 be approved for Royal Jubilee Hospital Diagnostic and Treatment Building Automation System (BAS) Controls Update.
CARRIED

MOVED by Director McNeil-Smith, **SECONDED** by Director Desjardins,
2) That CRHD Bylaw No. 428, "Capital Regional Hospital District Capital Bylaw No. 197, 2024" be introduced and read a first, second, and third time.
CARRIED

MOVED by Director McNeil-Smith, **SECONDED** by Director Desjardins,
3) That CRHD Bylaw No. 428 be adopted.
CARRIED

9. BYLAWS

There were no bylaws for consideration.

10. NOTICE(S) OF MOTION

There were no notice(s) of motion.

11. NEW BUSINESS

There was no new business.

12. ADJOURNMENT

MOVED by Director McNeil-Smith, **SECONDED** by Director Desjardins,
That the June 12, 2024 Capital Regional Hospital District Board meeting be adjourned at 1:06 pm.
CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 06, 2024**

SUBJECT **Revenue Anticipation Borrowing Resolution for Current Capital Regional Hospital District Operating Expenditures**

ISSUE SUMMARY

Adoption of a Revenue Anticipation Borrowing Resolution (General Purpose) authorizing borrowing up to \$11 million if required prior to receipt of requisition and other revenues expected in 2025.

BACKGROUND

Under Section 31 of the Hospital District Act (HDA), regions are permitted to adopt a revenue anticipation borrowing resolution to secure short-term funding to meet financial obligations in advance of expected revenues. The section requires borrowed funds be repaid within nine (9) months from the date of borrowing.

The Capital Regional Hospital District (CRHD) annually receives multiple types of income such as requisition and lease revenue. While lease revenues are received monthly, requisition is received annually, typically in August. As a result of regular cash flow variations, the CRHD has potential borrowing requirements at various points during the year.

To minimize cash flow risk and continuity of CRHD operations, the use of revenue anticipation borrowing is recommended.

The proposed revenue anticipation resolution will authorize up to an average of four (4) months of expenditure outflows, ensuring uninterrupted operations and the lowest cost of financing. For 2025, based on current market interest rates and cashflow forecasts, the limit on the general borrowing is recommended to be \$11 million. The calculation for 2025, is equal to approximately four-twelves (4/12) of the approved 2025 provisional operating budget of \$33 million.

When utilized, the CRHD will borrow funds by leveraging overdraft arrangements within current banking agreements or through the Municipal Finance Authority (MFA). The Royal Bank of Canada's current overdraft rate is 6.45% and MFA's short-term borrowing rate is 4.89% (both variable rates as of September 26, 2024).

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That the Revenue Anticipation Resolution be adopted to allow the temporary borrowing of up to \$11 million for current Capital Regional Hospital District operating expenditures.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

Historically, staff have presented the revenue anticipation resolution as an annual fiscal risk management tool. The last time borrowing was exercised under this authority was July 2017 for \$1.1 million to cover short-term interest payments, which were repaid in August upon receipt of requisition revenue.

Under current economic conditions and in consideration of CRHD's growth, there is an opportunity to optimize this financial strategy. For this fiscal year, the CRHD plans to utilize revenue anticipation borrowing to enhance working capital management. Short-term borrowing ensures liquidity, particularly during periods of revenue fluctuations, it also stabilizes annual budget expenditures, enables quick access to capital projects financing and readies the CRHD for emergencies if required. Despite current high short-term interest rates, this method is more cost-effective due to the brief borrowing duration and payback requirements. Additionally, elevated short-term investment rates can make revenue anticipation borrowing advantageous by maintaining or potentially increasing interest revenue.

Effective January 1, 2025, the proposed revenue anticipation bylaw limit of \$11 million will allow the CRHD to leverage short-term borrowing, addressing working capital needs based on anticipated requisition and other revenue sources. These funds will only be accessed when necessary and will be repaid within nine (9) months of borrowing, in compliance with HDA Section 31.

While the CRHD historically only utilized the revenue anticipation borrowing bylaw once in recent history, it has been consistently presented for annual approval as a prudent fiscal risk management tool. In the upcoming fiscal year, adopting this bylaw permits a cost-effective borrowing mechanism to address revenue variations and optimally manage working capital.

CONCLUSION

This proposed resolution is brought forward annually for consideration. Adoption of the resolution is necessary to authorize borrowing to cover expenditures in 2025 if required, pending receipt of anticipated revenues.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That the Revenue Anticipation Resolution be adopted to allow the temporary borrowing of up to \$11 million for current Capital Regional Hospital District operating expenditures.

Submitted by:	Varinia Somosan, CPA, CGA, Sr. Mgr., Financial Services / Deputy CFO
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & IT
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Revenue Anticipation Resolution

Revenue Anticipation Resolution

CAPITAL REGIONAL HOSPITAL DISTRICT

RESOLUTION

Victoria, BC, November 6, 2024

No. _____

WHEREAS, pursuant to Section 31 of the *Hospital District Act*, the Board may by resolution with the approval of the Minister of Health or a person authorized by him to act on his behalf, borrow money for purposes other than capital expenditures by temporary loan such sums as the Board may deem necessary to meet the current operating expenditures for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Board;

AND WHEREAS pursuant to Section 25 of the said *Act*, member municipalities and the Province are not required to make payment from taxation revenues of amounts requisitioned by a Hospital District until August 1st of each year;

AND WHEREAS it is anticipated that a maximum of \$11,000,000 of borrowed funds will be required to meet 2025 current operating expenditures of the Board including the amounts required for principal and interest falling due within the year upon any debt of the Board;

NOW THEREFORE BE IT RESOLVED that the Board of the Capital Regional Hospital District borrow pursuant to Section 31 of the *Hospital District Act* a sum not exceeding \$11,000,000 for the purpose of paying the said current operating expenditures;

AND THAT the aforesaid monies or any part thereof may be borrowed for the purpose of aforesaid by means of bank overdrafts, bankers' acceptances, or promissory notes, bearing the Corporate Seal and signed by the Chair or Acting Chair and the Treasurer or Acting Treasurer. All monies borrowed pursuant to this resolution shall be repaid when anticipated revenues of the current year are received, or as much thereof as may be necessary.

AND THAT the Board of the Capital Regional Hospital District hereby pledges as security for liability incurred hereby, that part of current revenues necessary to fully satisfy any liability so created and the money borrowed shall be a first charge against current revenues received.