

**REPORT TO CAPITAL REGIONAL HOSPITAL DISTRICT BOARD
MEETING OF WEDNESDAY, OCTOBER 30, 2024**

SUBJECT **Capital Regional Hospital District 2025-2034 Ten Year Capital Plan**

ISSUE SUMMARY

Approval of the Capital Regional Hospital District (CRHD) 2025-2034 10-Year Capital Plan.

BACKGROUND

The 2025-2034 CRHD Capital Plan (Appendix A) is derived from Island Health's healthcare capital priorities. It outlines the CRHD's ongoing commitments and anticipated new expenditures, which impact future CRHD requisitions and property tax adjustments.

To prepare for annual updates to the Capital Plan, CRHD staff monitor ongoing capital contributions and collaborate with Island Health on new projects, adjusting the previous year's plan based on emerging patient-focused priorities.

Below are key changes (over \$2.50 million (M)) to the 2025-2034 Major Capital Projects when compared to the 2024 Amended Capital Plan:

New project:

- A new Emergency Department Computed Tomography (CT) project at Royal Jubilee Hospital has been added, starting in 2026, with a total cost of \$8.50M; the CRHD's contribution will be \$2.55M.

Budget changes:

- The Child and Youth Mental Health Stabilization Unit project at Victoria General Hospital has increased from \$15.00 million to \$18.00M, raising the CRHD's share to \$5.40M.
- The Energy Systems Replacement project (formerly "Energy Centre Replacement") at Saanich Peninsula Hospital has increased from \$8.00M to \$30.00M, with a CRHD share of \$9.00M.

Projects deferred or removed from the capital plan:

- The Vascular/Cardiac Hybrid Operating Room (OR) project budgeted at \$5.40M, with the CRHD contributing \$1.62M, has been deferred to 2026.
- The Pneumatic to Electric Controls Conversion project budgeted at \$3.60M, with the CRHD contributing \$1.10M, has been deferred to 2026.
- The Long-Term Care (50 beds) project for Greater Victoria, budgeted at \$33.00M, with a CRHD share of \$9.90M has been removed.
- The Phase 2 of the Emergency Department Redevelopment: Imaging Suite project at Lady Minto Hospital, budgeted at \$5.00M, with a CRHD share of \$1.50M has been removed.
- The Long-Term Care (50 beds) project at Lady Minto Hospital, budgeted at \$50.00M, with a CRHD share of \$15.00M has been removed.

ALTERNATIVES

Alternative 1

That the Capital Regional Hospital District 2025-2034 10-Year Capital Plan be approved as submitted.

Alternative 2

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

IMPLICATIONS

Financial Implications

The CRHD 10-Year Capital Plan outlines the CRHD’s ongoing financial support for Major Capital Projects, Minor Capital Projects, and healthcare equipment. In partnership with Island Health, the CRHD typically contributes 30% of the funding for Major Capital Projects. From 2025 to 2034, the CRHD’s estimated contribution to Island Health’s “planned” or “possible” projects is \$412.00M, reflecting a reduction of \$29.00M compared to the 2024 Amended Capital Plan approved by the Board on March 13, 2024. This decrease is a result of Island Health’s reprioritization of regional projects.

All project cost estimates are subject to change due to scope refinements, economic fluctuations, and Island Health’s annual prioritization process. All projects must receive approval from both Island Health and the CRHD.

Appendix B presents the current and projected debt servicing costs associated with the 2025–2034 Capital Plan, while Appendix C provides a summary of the potential tax requisition impact noting if the 10-Year Capital Plan materializes as Island Health plans, the total CRHD requisition would peak in 2033 at \$50.1M or \$262.61 per household (vs \$20.3M & \$105.56 respectively in 2025).

CONCLUSION

Staff continue to collaborate with Island Health to refine capital plans that best meet the region’s needs. The Capital Plan is structured by health facility and year, with recommended funding identified for each project. Each project will undergo review in its designated year and is subject to prioritization and Board approval. The CRHD 2025 Provisional Budget reflects the financial implications of the 2025-2034 10-Year Capital Plan.

RECOMMENDATION

That the Capital Regional Hospital District 2025-2034 10-Year Capital Plan be approved as submitted.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health and Capital Planning Strategies
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & IT
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: 2025-2034 CRHD 10-Year Capital Plan
- Appendix B: 2025-2034 Capital Plan Debt Servicing Graph
- Appendix C: Debt Servicing Impact of 10-Year Capital Plan (2025-2034)