

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, APRIL 3, 2019**

SUBJECT **2019 Minor Capital Projects and Equipment – Approval of Capital Bylaw**

ISSUE

Approval of a capital bylaw is required by the Capital Regional Hospital District (CRHD) Board to authorize funding of healthcare minor capital and equipment projects in the region.

BACKGROUND

Minor Capital Projects (MCPs) sustain the region's health infrastructure through additions and improvements to existing healthcare facilities (such as replacement of aging or failing building systems or components), renovations or upgrades to accommodate changes in service delivery and responding to technological advances. MCPs are valued between \$100,000 and \$2 million (M) and the CRHD contributes 40% towards the total cost of Island Health minor capital projects to a maximum of \$3.75M annually.

The 2019-2028 amended and approved CRHD Capital Plan established funding of \$3.75M for Island Health 2019 MCPs and \$2.955M toward healthcare equipment purchases identified by Island Health (\$2.925M) and Mount St. Mary Hospital (\$30K). Staff has worked diligently with Island Health to finalize the list of 2019 MCPs (Appendix A) and equipment purchases (Appendix B).

Approval of a capital expenditure bylaw is required by the CRHD Board to expend these funds.

ALTERNATIVES

Alternative 1:

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

- a) That the recommended 2019 Minor Capital Projects totalling \$3,750,000 be approved and expensed from the 2019 requisition;
- b) That the recommended 2019 equipment grants of \$30,000 to Mount St. Mary Hospital and \$2,925,000 to Island Health be approved and expensed from the 2019 requisition; and
- c) That Capital Bylaw No. 397, "Capital Regional Hospital District Bylaw No. 173, 2019" be introduced and read a first and second time.
- d) That Bylaw No. 397 be read a third time.
- e) That Bylaw No. 397 be adopted.

Alternative 2:

That the 2019 Minor Capital Projects and Equipment grants in the amount of \$6,705,000 not be approved and that this matter be referred back to staff for further review based on Committee direction.

IMPLICATIONS

Providing annual funding for MCPs and equipment establishes a mechanism for the CRHD to invest in sustaining and upgrading the region’s healthcare capital assets thereby enhancing patient care and safety for residents. Through its funding commitment to Island Health’s 2019 MCPs and equipment priorities, the CRHD supports the completion of previously approved projects and new priority projects.

CONCLUSION

Island Health’s MCPs list represents the highest priority needs for the region’s healthcare facilities. Staff of the Health and Capital Planning Strategies Division, working together with Island Health, has conducted due diligence, attesting to the eligibility, sustainability, scope and budget for the 2019 MCPs and equipment projects.

The amended 2019-2028 CRHD Capital Plan and 2019 CRHD Operating Budget established funding for both previously approved and newly identified MCPs and, for the equipment priorities provided by Island Health and Mount St. Mary Hospital. Approval of a capital bylaw in the amount of \$6,705,000 is recommended.

RECOMMENDATIONS

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

- a) That the recommended 2019 Minor Capital Projects totalling \$3,750,000 be approved and expensed from the 2019 requisition;
- b) That the recommended 2019 equipment grants of \$30,000 to Mount St. Mary Hospital and \$2,925,000 to Island Health be approved and expensed from the 2019 requisition; and
- c) That Capital Bylaw No. 397, “Capital Regional Hospital District Bylaw No. 173, 2019” be introduced and read a first and second time.
- d) That Bylaw No. 397 be read a third time.
- e) That Bylaw No. 397 be adopted.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health and Capital Planning Strategies
Concurrence:	Kevin Lorette, P.Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

MB/gm

Attachments: Appendix A – Island Health 2019 Minor Capital Projects and Equipment
Appendix B – Capital Bylaw No. 397, “Capital Regional Hospital District Bylaw No. 173, 2019”