

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, APRIL 03, 2024**

SUBJECT **2024 Minor Capital Projects and Equipment – Approval of Capital Bylaw**

ISSUE SUMMARY

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 \$3.750M annually.

The 2024-2033 approved CRHD Capital Plan established funding of \$3.750M for Island Health 2024 MCPs and \$2.955M toward healthcare equipment purchases identified by Island Health (\$2.925M) and Mount St. Mary Hospital (\$30,000). Staff has worked diligently with Island Health to finalize the list of 2024 MCPs and equipment purchases (Appendix A and B).

Approval of a capital expenditure bylaw is required by the CRHD Board to expend these funds (Appendix C). Schedule A of the bylaw (Appendix C) summarizes CRHD’s contribution to MCPs and Equipment, in line with the approved 2024 CRHD Budget.

ALTERNATIVES

Alternative 1

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

- 1) That the recommended 2024 Minor Capital Projects totalling \$3,750,000 be approved and expensed from the 2024 requisition;
- 2) That the recommended 2024 equipment grants of \$30,000 to Mount St. Mary Hospital and \$2,925,000 to Island Health be approved and expensed from the 2024 requisition;
- 3) That Bylaw No. 426, “Capital Regional Hospital District Bylaw No. 195, 2024”, be introduced and read a first, second and third time; and
- 4) That Bylaw No. 426 be adopted.

Alternative 2

That this report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Financial 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 2024 MCPs and equipment priorities, the CRHD supports the completion of previously approved projects and new priority projects. The 2024 CRHD budget was approved on March 13, 2024, and included \$2.955M for Capital Equipment Grants and a \$3.750M transfer to reserve to fund the 2024 MCP initiatives that will be cash-flowed over three years by Island Health.

CONCLUSION

The Board has identified a community need for appropriate health facilities and equipment. CRHD staff are working with Island Health to identify capital improvements and respond to funding requests for minor capital and equipment. 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 for the 2024 MCPs and equipment projects.

The amended 2024-2033 CRHD Ten Year Capital Plan and 2024 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.

RECOMMENDATION

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

- 1) That the recommended 2024 Minor Capital Projects totalling \$3,750,000 be approved and expensed from the 2024 requisition;
- 2) That the recommended 2024 equipment grants of \$30,000 to Mount St. Mary Hospital and \$2,925,000 to Island Health be approved and expensed from the 2024 requisition;
- 3) That Bylaw No. 426, “Capital Regional Hospital District Bylaw No. 195, 2024”, be introduced and read a first, second and third time; and
- 4) That Bylaw No. 426 be adopted.

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

ATTACHMENTS

- Appendix A: Island Health 2024 Minor Capital Project List
- Appendix B: Island Health 2024 Equipment List
- Appendix C: Bylaw No. 426, “Capital Regional Hospital District Capital Bylaw No. 195, 2024”