



**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, NOVEMBER 6, 2019**

**SUBJECT Beacon Community Services Expansion Major Project Funding Request**

**ISSUE**

Approval of a Capital Regional Hospital District (CRHD) \$1,350,000 Capital Expenditure and Borrowing Bylaw is required for Island Health to proceed with the \$4,500,000 Beacon Community Services Expansion capital project and provide a letter of support to designate the identified sites as health facilities under the *Hospital District Act*.

**BACKGROUND**

The Province has provided direction to pursue integrated team-based care and expansion of the neighbourhood model of care across the entire health authority. The neighbourhood delivery model includes better integration between community health workers and the rest of the community care team, providing improved health outcomes and better client and care team experiences. Therefore, Island Health funded home support services currently delivered by Beacon Community Services are transitioning to the health authority by October 31, 2019. This is already the delivery method in Central and North Island communities.

Table 1 identifies the sites for transition to Island Health.

**Table 1**

Pender Island Health Unit	Salt Spring Island Public Health Services
Esquimalt/Westshore Home Health	Saanich Community Health Unit
Victoria Health Unit	Lady Minto Hospital Annex
Saanich Peninsula Health Unit	Oak Bay/Gordon Head Health Unit

To ensure sufficient space for effective service delivery, renovations will be required to existing and newly leased sites. With the exception of Lady Minto Hospital, Saanich Peninsula Health Unit and Oak Bay/Gordon Head Health Unit as these sites already have a health designation, Island Health is also requesting support for the designation of these sites as health facilities under the *Hospital District Act*.

A Bylaw (Appendix A) authorizing the Hospital District's capital contribution is required in order to authorize the CRHD's capital contribution of \$1,350,000 which is 30% of the total capital budget of \$4,500,000. A request for a letter of support to have the facilities designated under *the Hospital District Act* was also received and a draft letter of support is attached as Appendix B.

**ALTERNATIVES**

*Alternative 1:*

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

- a. That CRHD funding in the amount of \$1,350,000 be approved for the Beacon Community Services Expansion project.

- b. That CRHD Bylaw No. 399, “Capital Regional Hospital District Capital Bylaw No. 175, 2019” (for a maximum of \$1,350,000) be introduced and read a first, second, and third time;
- c. That Bylaw No. 399 be adopted; and
- d. That CRHD provide Island Health a letter of support to designate the identified sites as health facilities under Section 49 of the *Hospital District Act*.

*Alternative 2:*

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

**FINANCIAL IMPLICATIONS**

Total project funding for the Beacon Community Services Expansion Project, in the amount of \$4,500,000 is included in the 2020-2029 Capital Plan being brought forward for approval to the CRHD Board on October 9, 2019.

CRHD’s share of \$1,350,000 would be debt financed through the Municipal Finance Authority (MFA). The posted indicative rate for long-term (5-year) borrowing, as at September 5, 2019 is 1.85%. As the anticipated financing for Beacon Community Services Expansion Project is Spring 2020, a conservative rate of 2.50% with an amortization period of five years was modelled, resulting in an annual impact of \$288,029. Table 2 summarizes the estimated average annual cost per household to service the cost of the incremental borrowing.

**Table 2: Beacon Community Services Expansion Project Budget Implications**

Alternative	Net Cost	CRHD Share (30%)	Annual Tax impact on 2019 average residential assessment (\$779,233)	Annual Tax impact on \$100,000 of 2019 residential assessments
1	\$4,500,000	\$1,350,000	\$1.54	\$0.20

The Beacon Community Services Expansion capital budget will be cost shared with the Ministry of Health/Island Health, with CRHD contributing 30% capital for the project.

**CONCLUSION**

The Beacon Community Services Expansion project addresses the transition of Island Health funded home support services to the health authority. The Beacon Community Services Expansion project is included in the 2020-2029 CRHD Capital Plan. A letter of support is also requested in order to support the designation of the identified sites as health facilities under the *Hospital District Act*.

**RECOMMENDATIONS**

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

- a. That CRHD funding in the amount of \$1,350,000 be approved for the Beacon Community Services Expansion project.
- b. That CRHD Bylaw No. 399, “Capital Regional Hospital District Capital Bylaw No. 175, 2019” (for a maximum of \$1,350,000) be introduced and read a first, second, and third time;
- c. That Bylaw No. 399 be adopted; and
- d. That CRHD provide Island Health a letter of support to designate the identified sites as health facilities under Section 49 of the *Hospital District Act*.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health & Capital Planning Strategies
Concurrence:	Kevin Lorette, P.Eng., MBA, General Manager Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
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Attachments: Appendix A - CRHD Bylaw No. 399 “Capital Regional Hospital District Capital Bylaw No. 175, 2019”  
Appendix B - Draft Island Health Support Letter