

KERHD Board of Directors

Agenda

November 10, 2023

11:30 am

Voting Rules: Unless otherwise indicated on this agenda, all Directors have one vote and a simple majority is required for a motion to pass.

	Pages
1. Call to Order	
2. Addition of Late Items <i>All Directors, 2/3</i>	
3. Adoption of the Agenda	
4. Adoption of the Minutes	
4.1 August 11, 2023 Meeting	2
5. Invited Presentations & Delegations	
5.1 InterCare BC Keith Baldwin	4
5.2 Interior Health Project Update Summary Todd Mastel	
6. Correspondence	
7. Unfinished Business	
8. New Business	
8.1 2024 Provisional Budget <i>All Directors, Weighted</i>	6
8.2 Elkford Health Centre - Funding Request <i>All Directors, Weighted</i>	9
9. Bylaws	
9.1 Bylaw No. 133 - Capital Expenditure Bylaw - Three Readings and Adoption <i>All Directors, Weighted</i>	12
10. Late Agenda Items	
11. Reports from Directors	
12. Adjourn to Closed	



MINUTES OF THE KERHD BOARD OF DIRECTORS MEETING

August 11, 2023
Regional District Office, Cranbrook, BC

PRESENT:	Chair D. Wilks	District of Sparwood
	Director K. Cathcart	CSRDElectoral Area A (videoconference)
	Director G. Jackman	RDCK Electoral Area A
	Director R. Tierney	RDCK Electoral Area B
	Director K. Vandenberghe	RDCK Electoral Area C (videoconference)
	Director T. McDonald	RDEK Electoral Area A
	Director S. Doehle	RDEK Electoral Area B
	Director R. Gay	RDEK Electoral Area C
	Director J. Walter	RDEK Electoral Area E
	Director S. Clovechok	RDEK Electoral Area F
	Director R. Schnider	RDEK Electoral Area G
	Director W. Price	City of Cranbrook
	Director N. Blissett	City of Cranbrook (videoconference)
	Director N. Milligan	City of Fernie
	Director D. McCormick	City of Kimberley
	Director S. Fairbairn	District of Elkford
	Director A. Miller	District of Invermere
	Director K. Baldwin	Town of Creston (videoconference)
ABSENT:	Director M. Doherty	Village of Canal Flats
	Director M. Gray	Village of Radium Hot Springs
STAFF:	Director C. Hambruch	Town of Golden
	S. Tomlin	Chief Administrative Officer
	T. Hlushak	Corporate Officer
	C. Thom	Executive Assistant (Recording Secretary)

Call to Order

The meeting was called to order at 11:33am.

Adoption of the Agenda

1437

MOVED by Director Gay

SECONDED by Director Doherty

THAT the agenda for the KERHD Board of Directors meeting be adopted.

CARRIED

Adoption of the Minutes

May 12, 2023 Meeting

1438

MOVED by Director Miller

SECONDED by Director Gray

THAT the Minutes of the KERHD Board of Directors meeting held on May 12, 2023 be adopted as circulated.

CARRIED

Director Kelly Vandenberghe arrived to the meeting at 11:42am.

Invited Presentations & Delegations

Interior Health Project Update Summary

Todd Mastel, Corporate Director, Business Operations, Interior Health, provided an update on the status of Interior Health capital projects.

New Business

2024 KERHD Board Meeting Schedule

1439

MOVED by Director Gray

SECONDED by Director Clovechok

THAT the following KERHD Board meeting schedule for 2024 be approved:

- February 9
- May 10
- August 9
- November 8

CARRIED

Adjourn to Closed

1440

MOVED by Director Miller

SECONDED by Director Gray

THAT the meeting adjourn to a Closed KERHD Board of Directors meeting to consider the following matter:

Capital Project Priorities - Section 90(2)(b) of the *Community Charter* - the consideration of information received and held in confidence relating to negotiations between the Provincial Government and a third party.

CARRIED

The meeting adjourned to closed at 12:23pm.

Chair David Wilks

Tina Hlushak, Corporate Officer

Tina Hlushak

Subject: FW: Nov.10/23 KERHD presentation

-----Original Message-----

From: Keith Baldwin <keith.baldwin@creston.ca>

Sent: Wednesday, November 1, 2023 3:31 PM

To: Tina Hlushak <thlushak@rdek.bc.ca>

Subject: Re: Nov.10/23 KERHD presentation

Hi, Tina - as you requested:

1. The topic:

InterCare BC - a concept for immediately enhancing Kootenay resident patient accessibility to specialized treatment in Kelowna, dramatically reducing pressure for the Board to seek much more expensive solutions at EKRH.

2. Executive summary:

Acknowledging the current financial reality that only large centralized facilities can efficiently deliver certain specialized treatments, immediately resolve the inter-regional challenges in ground transportation to Kelowna facing patients residing in the Kootenay Boundary area - from Golden and Sparwood to Grand Forks.

Beginning in 2024, implement a comfortable, convenient and user-friendly free bi-weekly bus service from Cranbrook to Kelowna focused on patient (& companion) transfer to and from Kelowna General Hospital. Patient pre-qualification in terms of financial need or necessity of companion, etc. is not required.

Bus passengers may also be eligible separately to access complementary opportunities in Kelowna through newly expanded treatment travel programs (support is income-limited) from Hope Air and Canadian Cancer Society.

3. Designated speaker:

Keith Baldwin, Councillor - Town of Creston, KERHD Director

4. The specific action which is being requested of the Board:

Review the detailed report associated with the presentation and consider advocating to IHA and the Ministry of Health to research the need and viability of this approach or something similar in the near future

5. I will be attending the meeting in person

6. I have a Powerpoint presentation

The presentation is being dynamically updated over the next few days, in hopes of receiving some specifically formatted data on recent KGH treatment volumes (by type, etc.) of Kootenay residents. I have requested this information multiple times from the office of the Parliamentary Secretary for Rural Health, as well as from the Ministry of Health, but beyond multiple acknowledgements, have not yet received a response.

The latest version can be downloaded at <https://creston2024.com/intercarebc.pptx>

A 10-minute video version is at <https://vimeo.com/875299281> for rapid preview.

My high-level discussion on the morning of the Board meeting will be limited to the first ten or so slides, of which just 6 have bullet points.

Hope that does the trick - please let me know if I've missed anything.

Cheers,

Keith

KOOTENAY EAST REGIONAL HOSPITAL DISTRICT

Request for Decision

File No: H 220 001

Date November 2, 2023
Author Holly Ronnquist
Subject 2024 Provisional Budget

REQUEST

Approval of the 2024 Provisional Budget.

OPTIONS

1. THAT the 2024 Provisional Budget for the Kootenay East Regional Hospital District be approved.
2. THAT the 2024 Provisional Budget for the Kootenay East Regional Hospital District be approved, with the following changes _____.

RECOMMENDATION

Option 1

BACKGROUND/ANALYSIS

The 2024 Provisional Budget is presented for review and approval. Unlike regional districts, where the second year of the previously adopted five-year plan sets the authority to spend at the beginning of the year, hospital districts require a provisional budget to authorize spending prior to adoption of the annual budget, which must be on or before March 31. The amounts in this provisional budget are based on year two of last year's adopted five-year plan. Once year-end results are finalized and funding requests from Interior Health have been received, a proposed budget for the year will be presented to the Board in February, 2024.

SPECIFIC CONSIDERATIONS

Global Grants

This budget provides for a Global Grant to the Interior Health Authority of \$465,000, for the Hospital District's portion of funding for projects and equipment under \$100,000.

Capital Funding

The Interior Health Authority will be presenting their proposed capital projects list at the February 2024 Hospital District Board meeting, and approved projects will be incorporated into the final budget at that time. This provisional budget provides an allowance for current (new) capital projects to be approved in 2024 in the amount of \$3,250,000, as per the 2023 – 2027 Financial Plan adopted February 17, 2023. It also includes KERHD's \$62.6 million share of the Cranbrook Long Term Care Beds (FW Green Home) project on a separate capital line.

Debt

The Hospital District has no debt.

Large Project Reserve and Taxation Increase

The Board of Directors previously approved 40% funding support for large capital projects at the East Kootenay Regional Hospital such as the relocation of the oncology, dialysis, pharmacy and lab services, subject to confirmation of costs.

In the years 2020, 2021 and 2022, the Board approved increases to taxation of \$30 per year for the average residential property to build reserves for these large projects. The annual contribution to reserves is now \$7,026,585. With additional forecasted reserve contributions, the reserve balance is expected to be \$73.1 million by 2030 (before interest). The \$62.6 million KERHD share of the Cranbrook Long Term Care Beds project will be 100% funded from reserves.

The 2024 Provisional Budget is based on decisions from the 2023 – 2027 Financial Plan, which projected an inflationary increase to taxation of 3%. Taxation increases will be discussed further when the final budget is reviewed in February.

Attachment

Kootenay East Regional Hospital District Five Year Financial Plan

With Revenues and Expenditures
For the Eleven Months Ending Thursday, November 30, 2023

	2023 BUDGET	2023 ACTUAL	2024 BUDGET	2025 BUDGET	2026 BUDGET	2027 BUDGET	2028 BUDGET
<u>Revenue</u>							
Requisition	\$10,921,152	\$10,921,152	\$11,229,777	\$11,565,170	\$11,910,625	\$12,266,444	\$12,634,437
Payments in Lieu of Taxes	22,000	45,470	22,000	22,000	22,000	24,000	24,000
First Nations Contribution	70,000	87,204	70,000	70,000	70,000	70,000	70,000
IH Funding - Health Transit	408,816	322,578	408,816	408,816	408,216	408,216	408,216
Interest	100,000	962,767	30,000	30,000	30,000	30,000	30,000
Total Revenue	11,521,968	12,339,171	11,760,593	12,095,986	12,440,841	12,798,660	13,166,653
<u>Expenditures</u>							
Legislative	22,766	10,689	23,471	23,598	23,691	23,779	23,870
Salaries & Benefits	45,450	17,045	38,573	39,041	40,428	40,886	40,813
Administration & Overhead	24,345	13,700	22,345	22,545	22,845	23,045	23,245
Health Transit Contracts	405,816	235,999	407,316	407,316	407,316	407,316	407,016
Global Grant	402,300	402,300	465,000	465,000	465,000	465,000	465,000
Capital Grant - Current Year Projects	4,822,600	51,128	3,250,000	3,500,000	3,750,000	4,000,000	4,350,000
Capital Grant - Previously Committed	6,771,845	1,196,986	9,300,000				
Capital Grant - CBK LT Care Beds			2,116,000	4,094,000	23,330,000	3,092,000	14,285,000
Telephone & Utilities	100		100	100	100	100	100
Shared Overhead	6,665	4,245	5,203	4,801	4,876	4,949	5,024
Total Expenditures	12,501,887	1,932,093	15,628,008	8,556,401	28,044,256	8,057,075	19,600,068
Revenue less Expenditures	(979,919)	10,407,078	(3,867,415)	3,539,585	(15,603,415)	4,741,585	(6,433,415)
Debt Principal Repayment		1,480,201					
Transfers to Reserves	(7,872,585)	(615,446)	(7,548,585)	(7,633,585)	(7,726,585)	(7,833,585)	(7,851,585)
Transfers from Reserves			2,116,000	4,094,000	23,330,000	3,092,000	14,285,000
Prior Period Surplus	8,940,504	6,963,771	9,300,000				
End of Year Surplus	88,000	18,235,604					
Reserve Fund Balance		14,013,804					

KOOTENAY EAST REGIONAL HOSPITAL DISTRICT

Request for Decision

File No: H 220 001

Date November 3, 2023
Author Shawn Tomlin, CAO
Subject Funding Request – Elkford Medical Clinic Replacement

REQUEST

Approve funding for the planning and design of a new medical clinic in Elkford.

OPTIONS

1. THAT up to \$150,000 be approved for planning and design for replacement of the Elkford Medical Clinic;
and further, that it be included in the 2024 Capital Expenditure Bylaw.
2. THAT the request from the District of Elkford for up to \$150,000 for planning and design for replacement of the Elkford Medical Clinic be denied.

RECOMMENDATION

Option 1

BACKGROUND/ANALYSIS

The 2023 Interior Health Capital Funding Request included a request for \$68,000 towards a project to outfit current space within the Elkford Health Care Centre to house the Primary Care Network facility. At the February Board meeting there was discussion about the condition of the existing building and its suitability for renovation and continued use, and the possibility of the KERHD constructing a new building in Elkford to be leased to Interior Health to house the facility. Following that discussion, the approval of IHA's capital funding request excluded the amount for the Elkford Health Care Centre.

Since February 2023, the District of Elkford has been in discussions with Interior Health regarding the ultimate usage of the building and a proposed lease arrangement. They would now like to move ahead with planning and design of a proposed new building and are requesting approval of funding from the KERHD for this initial phase of the project.

SPECIFIC CONSIDERATIONS

Financial

This project would be 100% funded by the KERHD, with intended cost recovery through the lease arrangement with Interior Health. It is not currently included in the KERHD financial plan.

Process

If funding is approved, the amount will be included in the 2024 Capital Expenditure Bylaw to be considered by the Board in February 2024.

Attachment



District of Elkford

P.O. Box 340 Elkford, B.C. V0B 1H0
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November 1, 2023

Chair Wilks and Board
Kootenay East Regional Hospital District
19 – 24th Avenue South
Cranbrook, B.C. V1C 3H8

Via Email: stomlin@rdek.bc.ca

Dear Chair Wilks and Board Members:

Re: Elkford Medical Clinic Replacement Project Management

Please accept this letter respectfully requesting that the Kootenay East Regional Hospital District Board consider a funding request of up to \$150,000 for the 2024 year to commence the planning and design phase towards the replacement of the Elkford Medical Clinic. This request was considered and supported by Elkford's Council its September 9, 2023 meeting.

In early discussions, it was proposed that District of Elkford staff would undertake the project management of this replacement. Elkford staff have had preliminary discussions with Interior Health to consider this project in their planning and scoping in 2024. Additionally, the District of Elkford and Interior Health have discussed the possibility of the conversion of the current clinic to an Urgent and Primary Care Centre model.

Based on early estimates from consulting firms, we estimate that this phase of the design would be approximately \$150,000, including contingency. Tendering and construction management is not included.

Should the funding request be approved, the District would undergo a public bid process to hire a consulting firm early in 2024. As this initiative is still in the early stages, it is too early to consider other details such as ownership, lease payments (from Interior Health) and maintenance contracts. Discussion over these matters would be better suited closer to the construction phase of the project.

Sincerely,



Steve Fairbairn
Mayor

Cc: S. Tomlin, Chief Administrative Officer, Regional District of East Kootenay
T. Mastel, Corporate Director, Business Operations, Interior Health
T. Madsen, Chief Administrative Officer, District of Elkford

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KOOTENAY EAST REGIONAL HOSPITAL DISTRICT

Request for Decision

File No: H 220 001

Date November 1, 2023
Author Holly Ronnquist, CFO
Subject Bylaw No. 133 – Capital Expenditure Bylaw

REQUEST

Adopt the capital expenditure bylaw for funding of \$62,597,600 for the Cranbrook Long-Term Care Beds Project.

OPTIONS

1. THAT Bylaw No. 133 cited as “Kootenay East Regional Hospital District - Capital Expenditure Bylaw No. 133, 2023.” be read a first, second and third time.
2. THAT Bylaw No. 133 cited as “Kootenay East Regional Hospital District - Capital Expenditure Bylaw No. 133, 2023” be adopted.

RECOMMENDATION

Option 1

BACKGROUND/ANALYSIS

Interior Health has requested capital funding of \$62,597,600 for replacement and expansion of the Dr. F.W. Green Home in Cranbrook. The project timeline is 2023 – 2029. The total cost projection is \$154,494,000 with \$93,896,400 being funded by Interior Health (60%) and \$62,597,600 being requested from the Kootenay East Regional Hospital District (40%).

This project will result in the addition of 88 new long-term care beds in Cranbrook and will be delivered in two phases in order to ensure continuity of the existing facility while construction of new beds is underway. Phase 1 will include construction of beds to replace those at the current Green Home facility and Phase 2 will include demolition of the existing building to develop 88 additional resident rooms and space for other services.

The Hospital District began preparing for funding of future large projects in 2020 with incremental taxation increases of \$30 on the average residential property in 2020, 2021 and 2022. These taxation increases have resulted in Reserve Fund contributions of \$7,026,585 each year.

The KERHD Board of Directors resolved to approve the funding for the Cranbrook Long-Term Care Beds project at its August 11, 2023 Closed Board Meeting.

SPECIFIC CONSIDERATIONS

Financial

The December 31, 2022 Reserve Fund balance was \$13.4 million. Assuming the annual contributions (supported by current levels of taxation) of \$7,025,585 per year continue for seven years (2023 – 2029) with no withdrawals for other projects, the Reserve Fund balance is expected to be \$62.6 million before interest revenues. There is a possibility that some short-term borrowing may be required toward the end of the project depending on interest revenue and project cash flow requirements from Interior Health.

The 2023 Annual Budget also projects additional contributions to reserves of \$3,482,000 between 2023 and 2027 subject to funding requests and budget decisions each year.

The 2024 Annual Budget will consider any future capital requests from Interior Health, which could result in taxation increases and/or borrowing.

Attachment

KOOTENAY EAST REGIONAL HOSPITAL DISTRICT
CAPITAL EXPENDITURE BYLAW NO. 133

WHEREAS the Board of the Kootenay East Regional Hospital District proposes to expend money for the capital expenditures described in Schedule A attached hereto and forming an integral part of this Bylaw;

AND WHEREAS those capital expenditures have received the approval required under section 23 of the *Hospital District Act*;

NOW THEREFORE the Board enacts the following capital expenditure and borrowing bylaw as required by sections 32 and 33 of the *Hospital District Act*.

AND WHEREAS those capital expenditures will be included in the 2024 budget;

NOW THEREFORE the Board of the Kootenay East Regional Hospital District enacts the following capital expenditure bylaw:

- 1. The Board hereby authorizes and approves the expenditure of money necessary to complete the capital expenditures as described in Schedule A attached to and forming part of this Bylaw.

- 2. This Bylaw may be cited for all intents and purposes as the “Kootenay East Regional Hospital District - Capital Expenditure Bylaw No. 133, 2023.”

READ A FIRST TIME the day of
READ A SECOND TIME the day of
READ A THIRD TIME the day of

ADOPTED the day of

CHAIR

CORPORATE OFFICER

SCHEDULE A

KOOTENAY EAST REGIONAL HOSPITAL DISTRICT

CAPITAL EXPENDITURE BYLAW NO. 133

Name of Facility	Project or Equipment Description	Year	RHD Share (40%)	Province Share (60%)	Total Project Cost
Dr. F.W. Green Home Cranbrook	Cranbrook Long-Term Care Beds	2024	62,597,600	93,896,400	156,494,000

This is Schedule A referred to in Bylaw No. 133 cited as “Kootenay East Regional Hospital District – Capital Expenditure Bylaw No. 133, 2023.”

Chair

Corporate Officer

Date