

Minutes of the Regular meeting of the Health Advisory Committee held in the Board Room, 175 Ingram Street, Duncan, BC on Thursday, February 11, 2010 at 4:04 pm.

**PRESENT:** Chair G. Seymour  
Directors M. Dorey, G. Giles and L. Iannidinardo

**ABSENT:** Directors R. Hutchins, P. Kent and M. Marcotte

**ALSO**

**PRESENT:** Mark Kueber, General Manager, Corporate Services  
Dominique Beesley, Recording Secretary

**STAFF REPORTS**

**4SR1**

A verbal Staff Report from the General Manager, Corporate Services, regarding long term capital planning for the replacement/redevelopment of the Cowichan District Hospital was considered.

The General Manager, Corporate Services reminded the Committee that at the last meeting he was directed to come up with some options/strategies to budget for a proposed redevelopment of the Cowichan District Hospital and to provide tax rate comparisons, in this regard, to other local governments.

Mr. Kueber explained that through research he estimates that the replacement cost is approximately \$125,000,000 for which the Regional District's share (or 40% of that amount) would be \$50,000,000. Mr. Kueber provided various options, on this basis and over a 20 year amortization, to the Committee regarding the necessary amounts that would need to be put into a reserve fund each year for the next seven years to secure this amount until the end of 2016 at which time, he said, a balance would require borrowing.

Mr. Kueber explained to the Committee in detail five different funding scenarios he felt should be considered if the Board chooses to raise the capital reserve and borrow funds for a replacement/redevelopment of the Hospital.

The Committee discussed proposed funding for the Hospital and the possible tax impact on an average property assessment and it was noted that the assessment base would most likely broaden over the next seven years.

The Committee also discussed comparisons, as provided by Mr. Kueber at the meeting, of hospital tax rates from other local governments noting that the options Mr. Kueber had proposed would

be lower than most others.

It was the consensus of the Committee that putting aside a portion annually, rather than borrowing the whole amount, for a proposed Hospital redevelopment would be preferred in that interest would be earned not charged and resulting in the overall actual cost being significantly less.

**It was moved and seconded that \$1,000,000 be included in the 2010 Regional Hospital District Budget for a replacement/redevelopment of the Cowichan District Hospital.**

**MOTION CARRIED**

Chair Seymour asked the Committee to be prepared to demonstrate the merits of the Hospital capital reserve and borrowing – *Option B* to the Regional Services Committee.

**ADJOURNMENT  
5:20 pm**

**It was moved and seconded that the meeting be adjourned.**

**MOTION CARRIED**

The meeting adjourned at 5:20 pm.

Certified Correct:

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Recording Secretary

Dated: \_\_\_\_\_