

NORTH OKANAGAN/COLUMBIA SHUSWAP REGIONAL HOSPITAL DISTRICT

Minutes of a Special Meeting of the North Okanagan/Columbia Shuswap Regional Hospital District
Board held May 16, 2017
in the Board Room of the Columbia Shuswap Regional District

Note: The following minutes are subject to correction
when endorsed by the Board at the next Regular meeting.

PRESENT:

Directors	R. Martin, Chair	Area E, CSRD
	L. Parker	Area B, CSRD
	P. Demenok	Area C, CSRD
	R. Talbot	Area D, CSRD
	M. Macnabb	Area C, RDNO
	R. Fairburn	Area D, RDNO
	H. Cameron	Area E, RDNO
	H. Halvorson	Area F, RDNO
	K. Acton	Village of Lumby, RDNO
	S. Fowler	City of Armstrong, RDNO
	D. Dirk	District of Coldstream, RDNO
	M. McKee	City of Revelstoke, CSRD
	K. Flynn	City of Salmon Arm, CSRD
	C. Eliason	City of Salmon Arm, CSRD
	T. Rysz	District of Sicamous, CSRD
	J. Brown	Township of Spallumcheen, RDNO
	A. Mund	City of Vernon, RDNO
	J. Cunningham	City of Vernon, RDNO
	C. Lord	City of Vernon, RDNO

STAFF:

C. Hamilton	Secretary
L. Shykora	Deputy Mgr., Corporate Admin. (Recorder)
J. Pierce	Manager of Financial Services
C. Kraft	Deputy Treasurer, Financial Services

ABSENT:

B. Quiring	City of Vernon, RDNO
G. McCune	City of Enderby, RDNO
B. Fleming	Area B, RDNO

GUESTS:

D. Goughnour	Interior Health
T. Rode	Interior Health
P. du Toit	Interior Health

CALL TO ORDER:

The Chair called the Special Meeting to order at 10:01 AM.

DELEGATIONS

INTERIOR HEALTH

Dan Goughnour, Director, Business Support and Tim Rode, Program Director, Diagnostic Imaging, attended the meeting to provide detail on the additional capital funding request of Interior Health (IH), for the Magnetic Resonance Imaging machine (MRI) for the Vernon Jubilee Hospital (VJH). The attached PowerPoint presentation outlined the background information on this capital request which came about as a result of the Provincial announcement for additional MRI's across BC; with Vernon Jubilee Hospital being one of the sites identified.

Total project costs are \$7.1 million, with MRI equipment itself being \$3.0 million; NOCSRHD funding request is 40% or \$2.84 million dollars. Without NOCSRHD funding, the project would not proceed.

When asked if there are other funding partners, the Board was advised that there is ongoing discussion with the VJH Foundation underway as to whether they have the ability to contribute towards the project. IH staff confirmed that if the VJH Foundation or other contributions come to fruition, the NOCSRHD portion would remain at 40% of any remainder.

Director comment of concerns that North Okanagan Shuswap region is well behind in terms of MRI Patient utilization depicted in the PowerPoint presentation. There are lengthy wait times, however the timing is poor given the 2017 budget is already approved.

Director comment that on occasion the Board is asked to fund an extraordinary request such as this one. The Board needs to pursue this at 40 cents on the dollar, otherwise patients need to travel to Kamloops or to Kelowna. Having the MRI equipment in Vernon will better serve more patients and reduce wait times.

Concerns expressed that the MRI equipment lasts only 5 years; what is the full cost accounting of what will happen after 5 years and every 5 years after that because it is outdated, plus there is also a cost for staffing.

IH advised of the Report indicating 5 year life span is based on accounting principles; accounting principles for MRI capital equipment has a 5 year depreciation cycle, may not be fully depreciated by then. The life span of these units is more like 15 – 20 years; the upgrades are beneficial to bring them up to date and it is not a high cost to do so.

Tim Rode replied to a question about the consideration of private leasing of MRI equipment versus the capital equipment and construction costs, and the other options considered ie leasing space, etc.

IH staff comment on the question 'is Vernon the right choice in location'. The Board was also advised that in order to accommodate MRI equipment at Shuswap Lake General Hospital, it would require a large re-development of the facility and there is less ability to attract and keep staff.

Vernon has a better attractiveness in terms of recruiting and keeping qualified staff, with proximity to Kelowna.

Comment that the Vernon Jubilee Hospital ought not fund-raise for this particular project because there are other worthy projects for the Foundation to fund, based on the 40 cent dollars/cost sharing with IH.

Discussion by the Board indicated that it would have preferred to have this request as part of the 2017 budget consideration, however this is not the case. Further, there is no doubt of the benefits to having MRI equipment available in closer proximity to North Okanagan/Shuswap residents.

Ms. Pierce, Manager, Financial Services, provided an overview of her report and described how it was determined what type of borrowing would best fit for the capital costs, the borrowing term of 15 years best on anticipated useful life, and the other considerations she weighed, in presenting an affordable option for the residents. There is a tax increase for a number of years, all outlined within her report to the Board. touched on the use of funding from reserves and why for this capital request. The decision to fund or not fund lies with the Board. Ms. Pierce made a suggestion to convey a message to Interior Health to sharpen its pencils for future capital requests in periods going forward.

CORRESPONDENCE

Letter from Donna Lommer, VP Support Services & CFO, Interior Health dated April 24, 2017 re: Capital Funding Request for Vernon Jubilee Hospital – MRI Machine.

H2017-501

Moved by Director Acton, Seconded by Director Demenok THAT: the correspondence contained on the May 16, 2017 Special NOCSRHD Board Meeting Agenda be received.

CARRIED

BYLAWS:

H2017-502
2017 NO/CS
REGIONAL
HOSPITAL
DISTRICT FINANCIAL
PLAN AMENDMENT
BYLAW NO. 67

Report from Manager of Financial Services dated May 9, 2017.

Staff provided an overview of the proposed budget amendment, including an overall tax impact.

Moved by Director Cunningham, Seconded by Director Acton THAT: "2017 North Okanagan/Columbia Shuswap Regional Hospital District Financial Plan Amendment Bylaw No. 67" be read a first, second and third time this 16 day of May, 2017.

CARRIED

H2017-503 Moved by Director Lord, Seconded by Director Cunningham THAT:

"2017 North Okanagan/Columbia Shuswap Regional Hospital District Financial Plan Amendment Bylaw No. 67" be adopted this 16 day of May, 2017.

CARRIED

H2017-504 Report from Manager of Financial Services dated May 9, 2017
- Consideration of three readings and adoption.

Moved by Director Acton, Seconded by Director Rysz THAT:
"North Okanagan/Columbia Shuswap Regional Hospital District Capital Expenditure and Borrowing Bylaw No. 68" be read a first, second and third time this 16 day of May, 2017.

CARRIED

H2017-505 Moved by Director Mund, Seconded by Director Fowler THAT:
"North Okanagan/Columbia Shuswap Regional Hospital District Capital Expenditure and Borrowing Bylaw No. 68" be adopted this 16 day of May, 2017.

CARRIED

H2017-506 Moved by Director Cunningham, Seconded by Director Flynn THAT:
it be recommended to the Vernon Jubilee Hospital Foundation that it not fund-raise for the Vernon Jubilee Hospital MRI Capital Equipment and associated capital improvements.

CARRIED

The Secretary suggested that due to the MRI Capital request being an extraordinary request this year, the Board may wish to signal Interior Health with its concerns and the Board's desire to maintain a sustainable, stable tax going forward.

H2017-507 Moved by Director Dirk, Seconded by Director Acton THAT:
Interior Health be put on notice that the Board respectfully request Interior Health to be very mindful of its capital request submissions in future years, particularly in the years 2018 through 2020, and to convey the message to Interior Health that the NOCSRHD is looking for reductions in the capital requests coming forward;

AND FURTHER that it be suggested to Interior Health that the Vernon Jubilee Hospital Foundation be sought as a source to draw upon for financial contributions to future capital projects, aside from the Vernon Jubilee Hospital MRI capital project.

CARRIED

Director Lord Opposed.

ADJOURNMENT

H2017-508
ADJOURNMENT:
AT 11:00 AM

Moved by Director Dirk that the meeting be adjourned.

CARRIED

CERTIFIED CORRECT

SECRETARY

CHAIR

Attachment:
IH PowerPoint Presentation



Presentation to North Okanagan Columbia Shuswap Regional Hospital District Board

May 16, 2017

Tim Rode – Acting Program Director, Diagnostic Imaging
Dan Goughnour - Director Business Support

Vernon Jubilee Hospital MRI

- Provincial announcement for additional MRI's across British Columbia
- VJH is one of the sites identified
- Planning underway for overall IH MRI strategy
 - MRI's going to PRH and EKRH in addition to Vernon
- NOK residents will no longer need to travel outside the community for MRI exams

Vernon Jubilee Hospital MRI Location



Cost Impact

- Total project cost estimate - \$7.1M
 - MRI Equipment - \$3.0M
 - Construction/Renovation - \$4.1M
- RHD Funding Request - \$2.84M
 - Equipment - \$1.2M
 - Construction/Renovation - \$1.64M
- MoH has communicated that it will only fund 60% of the project cost
- If the NOCSRHD is unable to fund the 40% balance, the VJH MRI project would be at risk of proceeding

Timelines

- Present to IH Board of Directors for approval in June
- Begin project immediately afterwards
- Media announcement made in line with tender for equipment
- Anticipated project completion at end of calendar 2018
- IH will work with the NOCSRHD to confirm cash flow timing

MRI Equipment Across Interior Health

- Installed units at Kelowna and Kamloops (one each)
- Mobile MRI shared between Penticton, Cranbrook and Trail
- Installed unit at Cranbrook expected to open Spring 2018
- Installed unit at Penticton expected to open Spring 2019
- Installed unit at Vernon expected to open end of 2018

MRI Patient Utilization

- Data from 2015/16 – Annual # Exams per 1000 population
 - Average for all of IHA: 23.39
 - Average for Okanagan: 23.66
 - North Okanagan Columbia Shuswap Region
 - Vernon: 18.93
 - Enderby: 18.62
 - Armstrong–Spallumcheen: 13.21
 - Salmon Arm: 18.58
 - Revelstoke: 16.09
- Utilization will be rebalanced with new MRI's coming on line



QUESTIONS?

