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HOSPITAL CAPITAL FUNDING IN THE 2009 OPERATING BUDGET

(Regional Council at its meeting on February 19, 2009 was adopted as follows:

> ***"and that the balance of required funding be re-allocated from within the overall non-program budgets to stay within the 2.5% overall increase.")***

The Finance and Administration Committee recommends:

1. receipt of the communication from Alice Sheridan, resident of the Town of Newmarket; and

2. adoption of the following:

WHEREAS York Region Council firmly believes that the funding of hospital capital projects should be the sole responsibility of the Province of Ontario;

AND WHEREAS the Provincial funding model for the construction of hospitals and/or healthcare centres will provide funding for approximately 65% of the costs of new capacity;

AND WHEREAS an additional "community contribution" is required to fully fund hospital expansions that are needed to serve growing demands in our communities;

AND WHEREAS the hospitals servicing our communities have appealed to York Region Council to contribute up to 2/3 of the required "community contribution" for the purpose of advancing the Provincial priority for hospital expansions in our communities;

AND WHEREAS successive Regional budgets since 2001 have included a $7.3M provision to share in the costs of needed hospital expansions;

AND WHEREAS there is a specific Council obligation remaining from prior commitments to hospital funding of approximately $4M in 2009;

NOW THEREFORE BE IT RESOLVED THAT:

1. **The existing budgeted contribution to hospital financing be increased from $7,312,000 to $12,000,000 and this amount be partially offset by reducing the 2009 increase in the contribution to the asset replacements reserve from $7,100,000 to $3,549,000 and**

that any of these funds not required to meet the existing specific Council obligations to hospitals be contributed to a new hospital financing reserve fund;

AND BE IT FURTHER RESOLVED THAT:

2. **Staff be directed to report to Council by June 2009 with further details of funding and the principles of an MOU with the participating three hospitals and Vaughan Health Campus of Care including the following elements:**

    i. **A multi-year commitment extending to 2031**
    ii. **Participating only in those projects approved and funded by the Province**
    iii. **Proportion of funding limited to lesser of:**
        - **Council's approved portion of overall expansion costs OR**
        - **1/3 of Provincial contribution OR**
        - **Approved Regional Contribution**
    iv. **Any borrowing against the projected cash flows be undertaken by the hospitals and any associated financing costs will be ineligible**
    v. **Any interest earned towards the Hospital Financing Reserve Fund be attributed towards the Region's maximum contribution and flow funds as funds are available**
    vi. **Improved EMS off-load delays be incorporated as an incentive for funding**
    vii. **Annual contributions be increased at the actual rate of assessment growth in the previous year**
    viii. **Hospital Boards and Foundations must also support, at the appropriate time, Council's subsequent request that the Province reinstate eligibility for hospital capital funding in the Development Charges Act**
    ix. **The Region's funding commitment be subject to review in 2011 for the purpose of considering a further increment with additional funding from development charges**
    x. **Clarification of when payments are made**
    xi. **The MOU contain a process for review in the event that new federal or provincial capital funding becomes available to hospitals at any time during the term of the MOU**

3. **Staff be directed to prepare any by-laws necessary to execute this Motion.**