



City of Prince Albert

RPT 2026-131

TITLE: Hospital Fit-up Reserve – Creation of New Reserve

DATE: April 15, 2026

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATIONS:

1. That a Hospital Fit-up Reserve be approved for the revenue collected by the City from the Provincial Government for the payment of building permit fees collected for the construction of the multi-story acute care tower and renovations at the Victoria Hospital.
2. That revenue collected in Year 2025 in the amount of \$5,952,191.56 for building permit fees be credited to the Hospital Fit-up Reserve for yearend 2025.
3. That any spending from the Hospital Fit-up Reserve be approved by City Council relating to the City's share of future fit-up costs in the new constructed and renovated Victoria Hospital.

EXECUTIVE SUMMARY:

The Prince Albert Victoria Hospital (PAVH) Redevelopment includes the construction of a new acute care tower and renovations to the existing hospital with a combined 35,480 m² of space.

The new build components in the Functional Program include an Emergency Department, Medical Imaging and Diagnostic Cardiology, Perioperative Services, Sterile Processing, Mother Baby Unit and Special Care Nursery, ICU/HAU, Medical Surgical Inpatient, Pediatric Unit and Adult Mental Health. Major renovations are planned for the Main Entrance and Lobby, Cancer Care Systemic Therapy and Ambulatory Care. The number of beds in Victoria Hospital will see an increase up to 40% from the current 173 beds to 242 beds and will include a larger emergency department and enhanced medical imaging services, including an MRI.

The City of Prince Albert has invoiced Sask Buildings & Procurement in 2025 for the building permit fees for the construction of the new multi-story acute tower at the Victoria Hospital. This report is requesting the creation of a new Hospital Fit-up Reserve for revenue generated from building permit fees to fund future costs relating to fit-up costs for the City's share. The City will be responsible to fund a portion of the costs associated with furnishings, fixtures and equipment.

BACKGROUND:

Construction commenced in May of 2025 for the new multi-story acute care tower at the Victoria Hospital. The new facility exemplifies the Government of Saskatchewan's dedication to improving health care accessibility and quality across northern Saskatchewan. The construction includes an investment in state-of-the-art infrastructure that will directly benefit our community, northern Saskatchewan and positively impact the wellbeing of all fellow residents for years to come.

The Provincial Government is fully committed to funding the capital costs for the construction and renovations at Victoria Hospital.

The local healthcare foundation and users of the hospital – in this case, the city and regional municipalities – are responsible for funding all the equipment and furniture needed to fill the hospital during the expansion phase of the project. Discussions are underway with the Boreal Healthcare Foundation.

City Council, at its meeting of July 22, 2024, approved the following motion:

Prince Albert Victoria Hospital – Letter of Understanding

"1. That the Letter of Understanding between The City and SaskBuilds and Procurement, Government of Saskatchewan, be approved; and,

2. That the Mayor and City Clerk be authorized to execute the Letter of Understanding on behalf of The City."

Attached is a copy of the Report forwarded to City Council relating to the Letter of Understanding. The attached Letter of Understanding outlines details that are pertinent to the obligations of the City of Prince Albert to fund a portion of the costs associated with furnishings, fixtures and equipment.

As per City Bylaws, the City of Prince Albert is obligated to charge development and permit fees in relation to the construction of new projects within the City. These charges are based on construction value.

The report included that the funds collected in building permit fees would be put towards the furnishing of the Victoria Hospital.

PROPOSED APPROACH AND RATIONALE:

The City of Prince Albert has invoiced Sask Builds & Procurement in November of 2025 for the building permit fees associated with new construction at the Victoria Hospital.

Following a review of the project's construction costs with the Province, the City established the applicable construction value. The resulting building permit fees generated revenue of \$5,952,191.56.

This report is recommending that a Hospital Fit-up Reserve be approved for the collection of building permit fee revenue. That revenue credited to the Reserve will fund future fit-up costs that will be part of the City's share for furniture and equipment costs in the new multi-story acute care tower in the Victoria Hospital.

CONSULTATIONS:

The City is currently negotiating with the Province relating to the funding that the City will be responsible for once construction is completed and equipment and furniture is to be purchased.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

The Elected Officials along with City Administration will continue discussions with other users of the Victoria Hospital and the Saskatchewan Health Authority to determine a proportionate per capita allocation for the costs to equip the new acute care tower.

BUDGET/FINANCIAL IMPLICATIONS:

The City of Prince Albert has invoiced Sask Builds & Procurement in November of 2025 for the building permit fees associated with new construction at the Victoria Hospital.

Following a review of the project's construction costs with the Province, the City established the applicable construction value. The resulting building permit fees generated revenue of \$5,952,191.56.

This report is recommending that the revenue be credited to a new Hospital Fit-up Reserve to fund a portion of the costs associated with furnishings, fixtures and equipment in the Victoria Hospital.

With the approval of the recommendations, the amount of \$5,952,191.56 will be credited ending Year 2025 to the Hospital Fit-up Reserve along with any future revenue generated in other building permit fees for the Victoria Hospital. The revenue will be used to fund a portion of the costs associated with furnishings, fixtures and equipment.

STRATEGIC PLAN:

As per the City's Strategic Plan 2026 – 2029, this report addresses the following strategic initiatives:

Strategic Direction: Professional and High Quality Public Service

Strategic Direction: Strengthen the integration, transparency and effectiveness of the City's strategic, financial, communications and operational planning processes.

Key Initiative: Continue to strengthen relationships with the City's partnering organizations to share information and collaborate on projects and services.

Strategic Goal: Establish a regular, sustainable cycle for the review and continuous improvement of municipal services. **Key Initiative:** Establish long-term capital asset management and finance plan to facilitate long-term financial sustainability.

OFFICIAL COMMUNITY PLAN:

As per the City's Official Community Plan, this report addresses the following Official Community Plan Initiatives:

Finance – Reserve funds for major improvements.

PUBLIC NOTICE:

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

ATTACHMENT:

1. Prince Albert Victoria Hospital Report 2024-208 with attached Letter of Understanding.

Written by: Melodie Boulet, Finance Manager

Approved by: Acting Senior Accounting Manager, Chief Financial Officer and City Manager