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Health region to lease space

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The StarPhoenix

Thursday, February 22, 2007

The Saskatoon Health Region will lease more downtown office space as it outgrows its current buildings.

"Occupancy in our facilities is 110 per cent," said Sandra Blevins, vice-president of Saskatoon Health Region's clinical and operations support services.

"As different programs come or different short-term appointments, we are always struggling with where to put people."

Six units with between five and 12 staff members each are needing office space. Two of those units are being displaced because their current home, a building next to Royal University Hospital (RUH), is being demolished to make room for the University of Saskatchewan's academic health sciences building.

At its regular meeting on Wednesday, members of the Saskatoon Regional Health Authority approved a plan to lease space downtown in Avord Tower. The annual leasing cost is estimated at \$339,450 with a one-time capital cost of \$141,600. Some of the expense will be covered by the U of S.

The downtown location is central to City Hospital and RUH and within a block of the health region's corporate office at Saskatoon Square.

"We're not spreading ourselves all over (the city) in terms of infrastructure," said Blevins.

Leasing space in Avord Tower is a short-term solution to a long-term problem, she says. Some of the offices will be leased on a month-to-month basis.

"There is no turning back in terms of our space requirements. This just gives us a bit of a breather to see what the next plan is."

Re-organizing services among Saskatoon's three hospitals, in part to accommodate a new children's hospital within a hospital, has been in the works for years.

The request to lease space in Avord Tower will be forwarded to Saskatchewan Health for approval.

Budget remains on track

The health region is walking a financial tightrope as it enters the final months of its fiscal year.

"We are going to run very close (to balancing the budget)," Deb Rhodes, vice-president of finance and administration for the health region, said at Wednesday's meeting.

At the end of December, the health region was running a deficit of \$1.5 million on an

annual budget of \$668 million. The region's fiscal year ends in March.

To put the deficit in perspective, Rhodes told the authority members it costs \$1.7 million to operate the region's health-care facilities for just one day.

Additional costs during the outbreak of norovirus in January at RUH won't break the bank, says Rhodes. The health region spent about \$200,000 more than budgeted for cleaning supplies, linens and extra staff members needed for security and cleaning during the two-week outbreak.

It is still tallying up how much was spent in sick time as 88 staff members tested positive for or showed symptoms of norovirus.

Staff members were told to stay home for 48 hours after the virus's symptoms had disappeared. On the flip side, some beds sat empty at RUH as two nursing units were closed to new admissions for several days, saving money that would have been spent on supplies.

The two-day blizzard that hit Saskatoon in early January also cost the health region. About \$150,000 was spent when additional staff members were called in to work.

Mortgages to be paid out

The region is paying out eight mortgages on rural nursing homes it inherited when the region was formed in 2002.

The region will save hundreds of thousands of dollars over the next few years by paying the mortgages before they come due, says Rhodes.

"From a financial point of view, it is just a good business decision," she told board members.

The eight mortgages, totalling \$1.3 million, include what's owing on several properties including Manitou Lodge in Watrous, St. Mary's Villa in Humboldt and Central Parkland Lodge in Lanigan. The mortgages aren't scheduled for renewal until 2016 to 2027.

Even with the early payment fees of close to \$99,000, the health region will still save money.

The mortgages' interest rates range from 5.375 per cent to eight per cent while the health region is earning four per cent on its investments.

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