



# CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT BOARD MEETING AGENDA

Thursday, October 10, 2019

10:00 a.m.

Woodhaven Board Room  
1450 K.L.O. Road, Kelowna, BC

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Pages

1. CALL TO ORDER

Chair Given acknowledged that this meeting is being held on the traditional territory of the syilx/okanagan peoples.

2. ADDITION OF LATE ITEMS

3. ADOPTION OF THE AGENDA

*(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)*

Recommended Motion:

THAT the agenda be adopted.

4. ADOPTION OF THE MINUTES

4.1 **Regional Hospital District Meeting - May 9, 2019**

1 - 3

*(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)*

Recommended Motion:

THAT the Regional Hospital District Board meeting minutes of May 9, 2019 be adopted.

5. NEW BUSINESS

5.1 **Interior Health Authority Additional Funding Request for the Kelowna Urgent and Primary Care Centre - James Kinakin, Director Business Support**

4 - 5

*(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)*

Recommended Motion:

THAT the Central Okanagan Regional Hospital Board requests Interior Health pursue the designation of "health facility" for the Kelowna Urgent and Primary Care Centre for the purposes of the *Hospital District Act*.

*(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)*

Recommended Motion:

**THAT** the Regional Hospital Board approves funding and capital bylaw approvals subject to the projects and/or facilities qualifying as designated facilities pursuant to the *Hospital District Act*.

5.2.1 CORHD 2019-2023 Financial Plan Amendment Bylaw No. 2-2019

*(All Directors - Weighted Vote - LGA 210.1)*

*[Section 228 - 2/3 Vote for Adoption]*

***1st, 2nd and 3rd readings and Adoption***

Recommended Motion:

**THAT** Central Okanagan Regional Hospital District 2019-2023 Financial Plan Amendment Bylaw No. 2-2019 be given 1st, 2nd, and 3rd readings and be adopted.

5.2.2 CORHD Capital Expenditure Bylaw No. 237

*(All Directors - Weighted Vote - LGA 210.1)*

*[Section 228 - 2/3 Vote for Adoption]*

***1st, 2nd and 3rd readings and Adoption***

Recommended Motion:

**THAT** the Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 237 be given 1st, 2nd, and 3rd readings and be adopted.

6. ADJOURN

**Minutes of the meeting of the Central Okanagan Regional Hospital District Board held in the Woodhaven Board Room, Regional District Offices on Thursday May 9, 2019**

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- Directors: M. Bartyik (Central Okanagan East Electoral Area)  
C. Basran (City of Kelowna)  
W. Carson (Central Okanagan West Electoral Area)  
C. Fortin (District of Peachland)  
G. Given (City of Kelowna)  
S. Johnston (City of West Kelowna)  
R. DeJong, alternate for G. Milsom (City of West Kelowna)  
B. Sieben (City of Kelowna)  
L. Stack (City of Kelowna)
- Absent: J. Baker (District of Lake Country)  
M. DeHart (City of Kelowna)  
C. Hodge (City of Kelowna)  
L. Wooldridge (City of Kelowna)
- Staff: B. Reardon, Chief Administrative Officer  
C. Teschner, Manager of Financial Services  
M. Drouin, Manager - Corporate Services (recording secretary)

**1. CALL TO ORDER**

Chair Given called the meeting to order at 12:13 p.m.

It was acknowledged that this meeting is being held on the traditional territory of the Syilx/Okanagan Peoples.

**2. ADDITION OF LATE ITEMS**

There were no late items for the agenda.

**3. ADOPTION OF THE AGENDA**

**#H13/19 STACK/DEJONG**

THAT the agenda be adopted.

CARRIED unanimously

**4. ADOPTION OF MINUTES**

- 4.1 Regional Hospital District Board Meeting Minutes – March 25, 2019 (*All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208.1*)

**#H14/19**     STACK/FORTIN

THAT the Central Okanagan Regional Hospital District Board meeting minutes of March 25, 2019 be adopted.

CARRIED unanimously

**5.     FINANCIAL SERVICES**

5.1     BDO Auditors Report - Year Ended December 31, 2018

5.1.1   Introduction of BDO Auditors Report

Carol Teschner, Manager - Financial Services introduced the audit process and BDO Auditor, Markus Schrott. The auditor addressed the Board presenting the results of the audit.

5.2     ADJOURN IN CAMERA (*All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1*)

**#H15/19**     STACK/DEJONG

THAT pursuant to Section 90 (1)(I) of the Community Charter the Regional Hospital Board adjourn and convene to a closed to the public meeting to discuss:

- 90(1)(I) discussions with municipal officers and employees respecting municipal (regional district) objectives, measures and progress reports for the purpose of preparing an annual report under section

CARRIED unanimously

*The Board adjourned to In Camera at 12:17 p.m.*

*The Board reconvened at 12:21 p.m.*

5.3     BDO Auditors Report (Rise From In Camera) (*All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1*)

The Board was asked if there were any questions/concerns to be addressed by the auditors. There were none.

**#H16/19**     DEJONG/STACK

THAT BDO's Central Okanagan Regional Hospital District Final Audit Report for the year ended December 31, 2018 be received.

CARRIED Unanimously

- 5.4 CORHD Financial Statements - Year Ended December 31, 2018 (*All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1*)

**#H17/19     DEJONG/BASRAN**

THAT the Central Okanagan Regional Hospital District Audited Financial Statements – year ended December 31, 2018 be approved.

CARRIED Unanimously

**6.     ADJOURN**

There being no further business the meeting was adjourned at 12:24 p.m.

**CERTIFIED TO BE TRUE AND CORRECT**

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**G. Given (Chair)**

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**B. Reardon (Chief Administrative Officer)**



**Interior Health**  
*Every person matters*

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Mr. Brian Reardon, Chief Administrative Officer  
Central Okanagan Regional Hospital District  
1450 KLO Road  
Kelowna, BC V1W 3Z4

October 1, 2019

Dear Mr. Reardon:

**RE: ADDITIONAL FUNDING REQUEST FOR THE KELOWNA URGENT AND PRIMARY CARE CENTRE**

This letter is to request funding for this project which will be commencing in fiscal year 2019/20 at 1141 Harvey Avenue, Kelowna in an Interior Health (IH) leased and operated stand-alone facility adjacent to the Capri Mall. This site is centrally located within the Central Okanagan (CO) Primary Care Network and is in close proximity to medical imaging services, private and community laboratory services and two private pharmacies.

The Kelowna Urgent and Primary Care Centre (UPCC) is consistent with the strategic direction of both IH and the Ministry of Health and supports a team-based primary care model. In order to alleviate acute care pressures, non-emergent care can be delivered safely outside of the emergency department of an acute care facility and in a more appropriate community setting, which provides a model of care that works for care providers, patients and the broader system of care. This proposed model of care is supported through a strong partnership between IH and the Central Okanagan Division of Family Practice and engagement with Aboriginal and patient partners.

This program and its location have been selected to improve patient access to urgent care services in the CO area that is culturally safe and welcoming. It will reduce wait times, increase access to primary care, reduce workload for IH staff and physicians, reduce congestion in the emergency department and improve patient flow.

The goal is to open the doors to this new centre in early 2020 but the timeline is subject to substantial tenant improvements which are required to make the space functional for a UPCC. The target date will be confirmed after design plans are finalized. We request funding for these tenant improvements and associated equipment from the Central Okanagan Regional Hospital District (CORHD) for 40% of the project's cost estimate of \$1.974 million in the total amount of \$789,600.

As this is a new IH facility please consider passing a resolution requesting IH to pursue the designation of this site under the Hospital District Act.

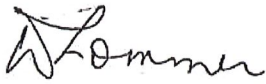
We would appreciate it if you could now submit this funding request and designation request to your Board for approval. IH representatives will attend the CORHD Board of Directors meeting on October 10<sup>th</sup> to present more detail and will answer questions the Directors may have. Upon approval, please send Birgit Koster, Director Business Support, Capital Planning copies of the relevant bylaws for our records.

Interior Health Authority  
5th Floor - 505 Doyle Ave.  
Kelowna, BC V1Y 0C5  
Web: [www.interiorhealth.ca](http://www.interiorhealth.ca)

**VP Support Services & Chief Financial Officer**  
Telephone: (250) 862-4025 Fax: (250) 862-4201  
E-Mail: [donna.lommer@interiorhealth.ca](mailto:donna.lommer@interiorhealth.ca)

If you require further information, or if you have any questions or concerns, please contact Dan Goughnour or me directly.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Lommer'.

**Donna Lommer, CPA, CGA, EMBA**  
VP Support Services & CFO

/at

cc: Gail Given, Chair, CORHD  
Marilyn Rilkoff, Director of Financial Services, CORHD  
John Cabral, Acute Health Service Administrator, Kelowna General Hospital  
Dan Goughnour, Director, Business Support  
Lorne Sisley, Corporate Director, Facilities Management and Operations  
Birgit Koster, Director Business Support, Capital Planning



# Regional Hospital District Board Report

**TO:** Regional Hospital District Board

**FROM:** Marilyn Rilkoff  
Director of Financial Services

**DATE:** October 1, 2019

**SUBJECT:** IHA Mid-Cycle Funding Request and Financial Plan Amendments

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**Purpose:** To consider a request received from IHA to fund 40% of the Kelowna Urgent Primary Care Centre, financial plan amendments, and a related capital bylaw.

## **Executive Summary:**

Interior Health Authority is requesting that CORHD fund 40%, or \$789,600 of the Kelowna Urgent Primary Care Centre Capital Tenant Improvements costing \$1.974 million. If the Board is in favour of providing this funding, the budget amendment bylaw and capital bylaw on the agenda would require approval.

The funding for this project could be provided in 2019 by reducing the amount that was to be transferred to reserves. For 2019, amendments can also be made to several projects that were previously approved. IHA has indicated that these projects have been completed, and some have come in under budget by a total of \$164,514. The net reduction to the reserve transfer would then be \$625,086.

It should be noted that the new Centre does not yet have Designated Facility Status by the Minister under the Hospital Act. This is a requirement for RHD funding under the *Hospital District Act*. IHA does not anticipate that this will be a problem.

## **RECOMMENDATIONS:**

**THAT** Central Okanagan Regional Hospital District 2019 – 2023 Financial Plan Amendment Bylaw No. 2-2019 be given 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> readings and adopted.

**AND THAT** the Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 237 be given 1st, 2nd, and 3rd readings and adopted.

**AND FURTHER THAT** the Regional Hospital Board approves funding and capital bylaw approvals subject to the projects and/or facilities qualifying as designated facilities pursuant to the *Hospital District Act*.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "M. Rilkoff".

Marilyn Rilkoff,  
Director of Financial Services

Approved for Hospital Board Consideration

A handwritten signature in black ink, appearing to read "Brian Reardon".

Brian Reardon, CAO



## Implications of Recommendation:

General: Anticipated improvements to the delivery of emergency care in the Central Okanagan and KGH Emergency Room.

Financial: Funding for this project could come from the amount formerly designated to go into reserves.

Legal/Statutory Authority: *Hospital District Act*  
Central Okanagan Regional Hospital District Bylaw No. 1-2019  
*Hospital Act*

## Background:

Interior Health Authority is requesting that CORHD fund 40% of the Kelowna Urgent Primary Care Centre Capital Tenant Improvements. The total cost of the improvements is \$1.974 million, and the CORHD's share would be \$789,600.

If the Board is in favour of providing this funding, the budget amendment bylaw and capital bylaw attached to this report would require approval. The funding for this project could be provided in 2019 by reducing the amount that was to be transferred to reserves. The reserves are being set aside for future funding strategies which could include either debt reduction or future funding requests, at the Board's discretion.

For 2019, amendments can also be made to several projects that were previously approved. IHA has indicated that these projects have been completed, and some have come in under budget by a total of \$164,514. The net reduction to the reserve transfer would then be \$625,086.

Bylaw Number		Bylaw Amount	Previously Spent	2019		Under Budget
				Revised Add'l Amt	Total	
	<b><u>Closed Projects</u></b>					
175	Cottonwoods - Building Mngt System Replacement	240,000	163,256	24,438	187,694	(52,306)
185	KGH - Medstations, IH-Wide Infrastructure	55,600	54,906	-	54,906	(694)
188	CHSC Kelowna - Digital Wayfinding & Room Signage	90,000	81,329	-	81,329	(8,671)
190	KGH - MRI/DI Sprinkler Piping Replacement	72,000	68,580	-	68,580	(3,420)
196	KGH - IMIT - Vocera	80,000	74,083	-	74,083	(5,917)
198	KGH - Wireless Infrastructure Refresh	12,000	6,835	-	6,835	(5,165)
199	KGH - Telehealth Infrastructure Refresh	11,000	6,576	-	6,576	(4,424)
201	KGH - Multi Purpose System	717,600	674,044	-	674,044	(43,556)
202	KGH - General Radiographic system - Digital	387,600	314,594	-	314,594	(73,006)
222	KGH - Ultrasound, Cardiac	92,800	86,237	-	86,237	(6,563)
223	KGH - Ultrasound	69,200		68,808	68,808	(392)
	<b><u>Miscommunication re: Project Cancellations</u></b>					
219	Wireless Infrastructure Refresh			39,600	39,600	39,600
						(164,514)
	<b><u>New Project</u></b>					
	Kelowna Urgent Primary Care Centre					789,600
						625,086

It should be noted that the new Centre does not yet have Designated Facility Status by the Minister under the *Hospital Act*. This is a requirement for RHD funding under the Regional *Hospital District Act*. IHA does not anticipate that this will be a problem.

If the Board is in favour of this project, to expedite the required bylaws and funding, staff recommends the following:

- Approval of the budget bylaw amendment;
- Approval of the capital bylaw; and
- THAT the Board provide instructions to staff via resolution that no payment be made to IHA for this project until the Designated Facility Status is confirmed.

**Financial Considerations:** The Kelowna UPC Centre does not yet have designated facility status by the Minister under the *Hospital Act*. This is a requirement for RHD funding under the *Hospital District Act*. IHA does not anticipate that this will be a problem. Funding would not be provided by CORHD until such time as that designation is confirmed in writing.

**External Implications:** Anticipated improvements to the delivery of emergency care in the Central Okanagan and KGH Emergency Room.

**Alternative Recommendation:** The Board could choose not to fund the Kelowna Urgent Primary Care Centre. The minor budget amendment for the other projects should still proceed, and the transfer to reserves would then increase by \$164,514. No additional capital bylaw would be required.

**THAT** Central Okanagan Regional Hospital District 2019 – 2023 Financial Plan Amendment Bylaw No. 2-2019 be given 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> readings and adopted, excluding the Kelowna Urgent Primary Care Centre.

***Considerations not applicable to this report:***

- Strategic Plan
- Organizational
- Policy

**Attachment(s):**

- Central Okanagan Regional Hospital District 2019-2023 Financial Plan Amendment Bylaw 2-2019
- Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 237
- Original 2019-2023 CORHD Financial Plan Bylaw 1-2019

**CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT**

**BYLAW NO. 2-2019**

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**Being a bylaw to amend the 2019-2023 Financial Plan**

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WHEREAS the Central Okanagan Regional Hospital District adopted the “2019-2023 Financial Plan Bylaw No. 1-2019” on the 25th day of March, 2019 pursuant to Section 23 of the Hospital District Act:

NOW THEREFORE the Board of Directors of the Central Okanagan Regional Hospital District in open meeting assembled enacts as follows:

- 1) The Financial Plan for the years 2019-2023, a copy of which is attached hereto, is hereby amended.
- 2) This bylaw may be cited as the “2013-2023 Financial Plan Amending Bylaw No. 2-2019”.

READ A FIRST TIME THIS	10 <sup>th</sup>	DAY OF	October	2019
READ A SECOND TIME THIS	10 <sup>th</sup>	DAY OF	October	2019
READ A THIRD TIME THIS	10 <sup>th</sup>	DAY OF	October	2019
ADOPTED THIS	10 <sup>th</sup>	DAY OF	October	2019

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Chair

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Director of Corporate Services

I hereby certify the above bylaw to be a true and correct copy of the 2019-2023 Financial Plan Budget Amending Bylaw No. 2-2019 as adopted by the Board of the Central Okanagan Regional Hospital District at its meeting held on the 10<sup>th</sup> day of October, 2019.

Dated at Kelowna, B.C. this  
10<sup>th</sup> day of October 2019

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Director of Corporate Services

# CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

## 2019-2023 FINANCIAL PLAN

### REVISED ROLL

#### October 2019 Amendment

	2019	2020	2021	2022	2023
	\$	\$	\$	\$	\$
<b>REVENUE &amp; FINANCING:</b>					
<b>Tax Requisition</b>					
City of Kelowna	12,116,019	12,237,029	12,359,400	12,482,994	12,607,824
District of Peachland	453,284	457,811	462,389	467,013	471,683
District of Lake Country	1,149,506	1,160,987	1,172,597	1,184,323	1,196,166
City of West Kelowna	2,659,139	2,685,697	2,712,554	2,739,680	2,767,077
Electoral Area Central Okanagan West	321,659	324,875	328,124	331,405	334,719
Electoral Area Central Okanagan East	290,594	293,500	296,435	299,399	302,393
<b>Total Tax Requisition</b>	<b>16,990,200</b>	<b>17,159,900</b>	<b>17,331,499</b>	<b>17,504,814</b>	<b>17,679,862</b>
Net Cash from New Financing	0 a	0	0	0	0
MFA Actuarial Addition	1,216,643 c	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c
Use of Surplus Cash	6,145,057	0	0	0	0
<b>TOTAL REVENUE</b>	<b>24,351,900</b>	<b>18,586,274</b>	<b>18,976,054</b>	<b>19,375,943</b>	<b>19,786,873</b>
<b>EXPENSES &amp; DEBT PAYMENTS:</b>					
<b>Expenses:</b>					
Administration	38,500	39,000	39,500	40,000	40,500
Audit & Contract Services	9,000	9,250	9,500	9,775	10,050
Principal Debt Reduction re: MFA Actuarial Addition	1,216,643 c	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c
MFA Debt Repayments Existing	8,553,615	8,553,615	8,553,615	8,553,615	8,553,615
MFA Debt Repayments New Projects	0 a	0 a	0 a	0 a	0 a
Temporary Borrowing Interest	50,000	25,000	25,000	25,000	25,000
<b>Total Expenses &amp; Debt Payments</b>	<b>9,867,758</b>	<b>10,053,239</b>	<b>10,272,170</b>	<b>10,499,519</b>	<b>10,736,176</b>
<b>Expenditure Funding Under Section 20(2)</b>					
IHA Minor Capital Improvements and Equipment Funding:	965,300	979,780	994,476	1,014,366	1,034,653
IHA Capital Projects (Pd with Current Budget Funds)	11,045,894 f	3,220,000 f	3,268,300 f	3,317,325	3,367,084
IHA Capital Projects (Pd with New Financing)	0 a	0	0	0	0
Transfer to Reserves	2,472,948 d, h	4,333,255 d	4,441,108 d	4,544,734 d	4,648,960 d
<b>Total Capital Projects Section 20(2)</b>	<b>14,484,142</b>	<b>8,533,035</b>	<b>8,703,884</b>	<b>8,876,424</b>	<b>9,050,697</b>
<b>TOTAL EXPENDITURE</b>	<b>24,351,900</b>	<b>18,586,274</b>	<b>18,976,054</b>	<b>19,375,943</b>	<b>19,786,873</b>
Year End Reserve Balance (Unrestricted)	(4,925,301) d, h	(9,504,821) d	(14,421,170) d	(19,254,327) d	(24,288,373) d

#### Impact on residential home average assessment \$739,000 in 2019:

<b>% Increase per house</b>	<b>0.18%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Annual Tax</b>	<b>183.35</b>	<b>183.35</b>	<b>183.35</b>	<b>183.35</b>	<b>183.35</b>
<b>Residential Tax Rate (cents)</b>	<b>0.2481</b>	<b>0.2481</b>	<b>0.2481</b>	<b>0.2481</b>	<b>0.2481</b>
	b	b	b	b	b, d

- a. No additional debt required.
- b. Assumes assessment growth of 1.0%
- c. MFA Actuarial Amounts: Actuarial Interest Revenue is offset by an equal reduction to debt.
- d. IHA has indicated that they have ongoing equipment and infrastructure replacement needs. Any additional funds are placed in reserves to assist in avoiding additional debt in the future, or to pay down debt on refinancing. First financing renewal/paydown opportunities begin in 2020.
- e. In 2018, the average equivalent house valued at \$693,000 would have paid \$183.02 at a tax rate of \$0.2641/\$1000 of assessment.
- f. IHSC Project: In 2017 IHA advised that construction uncertainties have been removed and contingencies have been reduced. Projected reduction was \$9.187 million. This amount was removed from the budget estimates for future project costs and debt financing. The approved project bylaw has not been reduced. Should there be future adjustments due to unforeseen circumstances, the budget would be amended at that time.
- g. The Public Sector Accounting Standards require reporting of Accumulated Deficit/Surplus, which will be available in the Year End CORHD Financial Statements. One of the primary purposes of the budget is to calculate required requisitions and ensure adequate cash flow. For example, CORHD must have enough cash to pay both principal and interest on debt, but PSAS only allows for the expensing of interest. A comparison of budget to actual for 2018 is provided to reflect differences in funding and expenditures. Revenues and Financing balance to Expenses and Debt Payments. As a result, there is no prior year surplus or deficit shown for budget purposes.
- h. October Budget Amendment: Changes to Project List have resulted in a net \$625k reduction in the 2019 amount transferred to reserves.

# CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

## Approved and Planned Capital Expenditures for 2019-2023

Revised Roll - Sep Budget Amendmen

		<i>Outstanding Projects</i>		2019	2020	2021	2022	2023
		<i>40 % RHD Share</i>	<i>Funding in Prior Years</i>	<i>Funding</i>	<i>Funding</i>	<i>Funding</i>	<i>Funding</i>	<i>Funding</i>
<b>Approved Capital Projects</b>								
<b>Bylaw</b>								
a	113	Heart and Surgical Centre (2010 - 2019) Bylaw is \$91.347m, plus 100% funding of IHSC 4th Floor Perinatal	84,690,000	73,210,000	2,293,000	0	0	0
	150	KGH - Automated Auto-Immune Analyzer	128,000	64,501	63,499			
b	172	KGH - Laboratory Equipment \$1.5m - Cancelled	-	-	-			
d	175	Cottonwoods - Building Mngt System Replacement	240,000	163,256	24,438			
	184	KGH - Image Processing System, Cellavision	61,600		61,600			
d	185	KGH - Medstations, IH-Wide Infrastructure	55,600	54,906	-			
d	188	CHSC Kelowna - Digital Wayfinding & Room Signage	90,000	81,329	-			
d	190	KGH - MRI/DI Sprinkler Piping Replacement	72,000	68,580	-			
	195	Regional - IMIT Corporate Projects over \$100,000	430,500	284,771	145,729			
d	196	KGH - IMIT - Vocera	80,000	74,083	-			
	197	Regional - IMIT Corporate Projects under \$100,000	217,900	187,924	29,976			
d	198	KGH - Wireless Infrastructure Refresh	12,000	6,835	-			
d	199	KGH - Telehealth Infrastructure Refresh	11,000	6,576	-			
	200	KGH - Medstations, IH-Wide Pyxis Replacement, Ph.2	1,688,400	1,565,143	123,257			
d	201	KGH - Multi Purpose System	717,600	674,044	-			
d	202	KGH - General Radiographic system - Digital	387,600	314,594	-			
	204	Three Links Manor - Generator Replacement	224,400	58,001	166,399			
	205	Cottonwoods - Dining Room Renovations	182,000	107,002	74,998			
	207	David Lloyd Jones Home - Air Conditioning, Bernard Wing	36,000		36,000			
	208	Cottonwoods - Patio Replacement for Douglas Fir Unit	34,800	20,841	13,959			
	209	May Bennett WC - Wireless Infrastructure Expansion	22,000		22,000			
	211	KGH - Surface Parking	540,000		540,000			
	212	Kelowna Community Health Services Centre - Central Okanagan Wellness Centre	360,000	321,340	38,660			
	213	West Kelowna Health Centre - Leasehold Improvements	300,000		300,000			
	214	KGH - 3 West Medical Inpatient Nursing Unit Renovation	100,000		100,000			
	215	KGH - Increase Pathologist Office Space	39,600	31,242	8,358			
	216	KGH - Access Control System Upgrade	24,000		24,000			
	217	Regional IMIT - Various	2,039,600	682,628	1,356,972			
	218	Cottonwoods - Vocera Expansion and Integration	72,000	49,579	22,421			
c	219	Wireless Infrastructure Refresh	39,600		39,600			
	220	KGH - Vocera Expansion and Integration	20,000		20,000			
	221	Rutland Health Centre - Wireless Infrastructure Expansion	10,000		10,000			
d	222	KGH - Ultrasound, Cardiac	92,800	86,237	-			
d	223	KGH - Ultrasound	69,200		68,808			
<b>Annual Capital Costs for Current Year Projects</b>		<b>93,088,200</b>	<b>78,113,412</b>	<b>5,583,674</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>New Projects Planned for 2019</b>								
	225	KGH - Surgical Optimization Clinic - Various	1,812,000		1,812,000			
	226	KGH - Boiler Room Upgrade	252,000		252,000			
	227	KGH - Access Control System Upgrade	31,620		31,620			
	228	Regional - IH-Wide IMIT	991,600		991,600			
	229	Various - Wireless Infrastructure Refresh	38,000		38,000			
	230	KGH - SPECT CT	729,200		729,200			
	231	KGH - Monitoring System Physiological	312,200		312,200			
	232	KGH - Chemistry Analyzer (x2)	180,000		180,000			
	233	KGH - Hematology Analyzer (x2)	148,000		148,000			
	234	KGH - Laboratory Middleware	127,000		127,000			
	235	KGH - MRI Compatible Monitoring System	51,000		51,000			
e	237	Kelowna Urgent Primary Care Centre Capital Tenant Imprvmnts.	789,600		789,600			
	236	Minor Equipment Grant Estimate Future Years			965,300	979,780	994,476	1,014,366
		Future Projects estimated by RDCO staff				3,220,000	3,268,300	3,317,325
b	<b>Annual Capital Costs for Planned Projects</b>		<b>5,462,220</b>	<b>0</b>	<b>6,427,520</b>	<b>4,199,780</b>	<b>4,262,776</b>	<b>4,331,690</b>
<b>TOTAL ANNUAL CAPITAL COSTS</b>		<b>98,550,420</b>	<b>78,113,412</b>	<b>12,011,194</b>	<b>4,199,780</b>	<b>4,262,776</b>	<b>4,331,690</b>	<b>4,401,737</b>

a. Includes IHA's Project Reserve. Bylaw is for \$91.347m and IHA revised project total to \$84.69 million. Currently with reduced contingencies, total estimated funding requirement is \$75.503 million vs \$76.265 million in 2016 (Revised variance from \$8.425 million to \$9.187 million in 2017). Budget reflects \$75.503m.

b. For 2019, IHA has cancelled previously approved project request for \$1.5m for Laboratory Automation System, Bylaw 172. Other projects added. Net new project ask in 2019 is \$4.14m.

c. Minor project previously approved in 2018. Project was understood to be cancelled, but it was in fact a different project.

d. Closed Projects list received. Costs adjusted downward based on actual costs.

e. Mid-cycle request received from IHA to fund Urgent Primary Care Centre. Actual project funding provision would be subject to the facility being named a Designated Hospital Facility as is required under the Regional Hospital District Act.

# **CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT**

## **BYLAW NO. 237**

### **Being a bylaw to adopt a capital expenditure**

WHEREAS the Board of the Central Okanagan Regional Hospital District proposes to expend money for capital expenditures described in Schedule "A" attached hereto and forming an integral part of this bylaw.

NOW THEREFORE the Board of the Central Okanagan Regional Hospital District enacts the following capital expenditure bylaw as required by Section 32 of the *Hospital District Act*.

1. The Board hereby authorizes and approves expenditures of money necessary to complete the capital expenditures as described in Schedule "A" attached hereto and totalling \$789,600.
2. The payment of the portion that the Regional Hospital District is responsible for, shall be funded through monies budgeted in the current year of operation, plus issuance of debentures through the Municipal Finance Authority.
3. The Board hereby delegates the necessary authority to the Treasurer to settle the terms and conditions of the expenditure.
4. This bylaw may be cited for all intents and purposes as the "Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 237".

Read a first time this	10 <sup>th</sup> day of	October, 2019
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Read a second time this	10 <sup>th</sup> day of	October, 2019
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Read a third time this	10 <sup>th</sup> day of	October, 2019
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Adopted this	10 <sup>th</sup> day of	October, 2019
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Chair

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Director of Corporate Services

I hereby certify this to be a true copy of the original bylaw.

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Director of Corporate Services

## **Schedule "A"**

### **CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT**

#### **CAPITAL EXPENDITURE BYLAW NO. 237**

<b>Facility</b>	<b>Project</b>	<b>RHD Share (40%)</b>	<b>Interior Health Share (60%)</b>	<b>Total Cost</b>
Kelowna Urgent Primary Care Centre	Capital Tenant Improvements	\$ 789,600	\$ 1,184,400	\$ 1,974,000

**CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT**

**BYLAW NO. 1-2019**

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**Being a bylaw to adopt the 2019-2023 Financial Plan**

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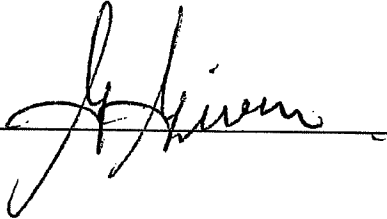
WHEREAS pursuant to Section 23 of the Hospital District Act, the Board is required to adopt its Annual Budget, on or before the 31<sup>st</sup> day of March in each year.

NOW THEREFORE the Board of Directors of the Central Okanagan Regional Hospital District in open meeting assembled enacts as follows:

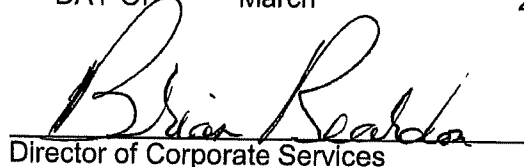
- 1) The Financial Plan for the years 2019-2023, a copy of which is attached hereto, is hereby adopted pursuant to Section 23 of the *Hospital District Act*.
- 2) This bylaw may be cited as the "2019-2023 Financial Plan Budget Bylaw No.1-2019".

READ A FIRST TIME THIS	25 <sup>th</sup>	DAY OF	March	2019
READ A SECOND TIME THIS	25 <sup>th</sup>	DAY OF	March	2019
READ A THIRD TIME THIS	25 <sup>th</sup>	DAY OF	March	2019
ADOPTED THIS	25 <sup>th</sup>	DAY OF	March	2019

Chair



Director of Corporate Services



I hereby certify the above bylaw to be a true and correct copy of the 2019-2023 Financial Plan Budget Bylaw No. 1-2019 as adopted by the Board of the Central Okanagan Regional Hospital District at its meeting held on the 25<sup>th</sup> day of March, 2019.

Dated at Kelowna, B.C. this  
25<sup>th</sup> day of March 2019

Director of Corporate Services





# CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

## 2019-2023 FINANCIAL PLAN

### Revised Roll - Final Budget

	2019	2020	2021	2022	2023
<b>REVENUE &amp; FINANCING:</b>					
<b>Tax Requisition</b>					
City of Kelowna	12,116,019	12,237,029	12,359,400	12,482,994	12,607,824
District of Peachland	453,284	457,811	462,389	467,013	471,683
District of Lake Country	1,149,506	1,160,987	1,172,597	1,184,323	1,196,166
City of West Kelowna	2,659,139	2,685,697	2,712,554	2,739,680	2,767,077
Electoral Area Central Okanagan West	321,659	324,875	328,124	331,405	334,719
Electoral Area Central Okanagan East	290,594	293,500	296,435	299,399	302,393
<b>Total Tax Requisition</b>	<b>16,990,200</b>	<b>17,159,900</b>	<b>17,331,499</b>	<b>17,504,814</b>	<b>17,679,862</b>
Net Cash from New Financing	0 a	0	0	0	0
MFA Actuarial Addition	1,216,643 c	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c
Use of Surplus Cash	6,145,057	0	0	0	0
<b>TOTAL REVENUE</b>	<b>24,351,900</b>	<b>18,586,274</b>	<b>18,976,054</b>	<b>19,375,943</b>	<b>19,786,873</b>
<b>EXPENSES &amp; DEBT PAYMENTS:</b>					
<b>Expenses:</b>					
Administration	38,500	39,000	39,500	40,000	40,500
Audit & Contract Services	9,000	9,250	9,500	9,775	10,050
Principal Debt Reduction re: MFA Actuarial Addition	1,216,643 c	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c
MFA Debt Repayments Existing	8,553,615	8,553,615	8,553,615	8,553,615	8,553,615
MFA Debt Repayments New Projects	0 a	0 a	0 a	0 a	0 a
Temporary Borrowing Interest	50,000	25,000	25,000	25,000	25,000
<b>Total Expenses &amp; Debt Payments</b>	<b>9,867,758</b>	<b>10,053,239</b>	<b>10,272,170</b>	<b>10,499,519</b>	<b>10,736,176</b>
<b>Expenditure Funding Under Section 20(2)</b>					
IHA Minor Capital Improvements and Equipment Funding:	965,300	979,780	994,476	1,014,366	1,034,653
IHA Capital Projects (Pd with Current Budget Funds)	10,420,808 f	3,220,000 f	3,268,300 f	3,317,325	3,367,084
IHA Capital Projects (Pd with New Financing)	0 a	0	0	0	0
Transfer to Reserves	3,098,034 d	4,333,255 d	4,441,108 d	4,544,734 d	4,648,960 d
<b>Total Capital Projects Section 20(2)</b>	<b>14,484,142</b>	<b>8,533,035</b>	<b>8,703,884</b>	<b>8,876,424</b>	<b>9,050,697</b>
<b>TOTAL EXPENDITURE</b>	<b>24,351,900</b>	<b>18,586,274</b>	<b>18,976,054</b>	<b>19,375,943</b>	<b>19,786,873</b>
Year End Reserve Balance (Unrestricted)	(5,550,387) d	(10,161,161) d	(15,110,327) d	(19,957,268) d	(25,005,373) d

Impact on residential home average assessment \$739,000 in 2019:

% Increase per house	0.18%	0.00%	0.00%	0.00%	0.00%
Annual Tax	183.35	183.35	183.35	183.35	183.35
Residential Tax Rate (cents)	0.2481	0.2481	0.2481	0.2481	0.2481
	b	b	b	b	b,d

- a. No additional debt required.
- b. Assumes assessment growth of 1.0%
- c. MFA Actuarial Amounts: Actuarial Interest Revenue is offset by an equal reduction to debt.
- d. IHA has indicated that they have ongoing equipment and infrastructure replacement needs. Any additional funds are placed in reserves to assist in avoiding additional debt in the future, or to pay down debt on refinancing. First financing renewal/paydown opportunities begin in 2020.
- e. In 2018, the average equivalent house valued at \$693,000 would have paid \$183.02 at a tax rate of \$0.2641/\$1000 of assessment.
- f. IHSC Project: In 2017 IHA advised that construction uncertainties have been removed and contingencies have been reduced. Projected reduction was \$9.187 million. This amount was removed from the budget estimates for future project costs and debt financing. The approved project bylaw has not been reduced. Should there be future adjustments due to unforeseen circumstances, the budget would be amended at that time.
- g. The Public Sector Accounting Standards require reporting of Accumulated Deficit/Surplus, which will be available in the Year End CORHD Financial Statements. One of the primary purposes of the budget is to calculate required requisitions and ensure adequate cash flow. For example, CORHD must have enough cash to pay both principal and interest on debt, but PSAS only allows for the expensing of interest. A comparison of budget to actual for 2018 is provided to reflect differences in funding and expenditures. Revenues and Financing balance to Expenses and Debt Payments. As a result, there is no prior year surplus or deficit shown for budget purposes.

# CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

## Approved and Planned Capital Expenditures for 2019-2023

		<i>40 % RHD Share</i>	<i>Outstanding Projects Funding In Prior Years</i>	<b>2019 Funding</b>	<b>2020 Funding</b>	<b>2021 Funding</b>	<b>2022 Funding</b>	<b>2023 Funding</b>
<b>Approved Capital Projects</b>								
<b>Bylaw</b>								
a 113	Heart and Surgical Centre (2010 - 2019) Bylaw is \$91.347m, plus 100% funding of IHSC 4th Floor Perinatal	84,690,000	73,210,000	2,293,000	0	0	0	0
150	KGH - Automated Auto-Immune Analyzer	128,000	64,501	63,499				
b 172	KGH - Laboratory Equipment \$1.5m - Cancelled	-	-	-				
175	Cottonwoods - Building Mngt System Replacement	240,000	163,256	76,744				
184	KGH - Image Processing System, Cellavision	61,600		61,600				
185	KGH - Medstations, IH-Wide Infrastructure	55,600	54,906	694				
188	CHSC Kelowna - Digital Wayfinding & Room Signage	90,000	81,329	8,671				
190	KGH - MRI/DI Sprinkler Piping Replacement	72,000	68,580	3,420				
195	Regional - IMIT Corporate Projects over \$100,000	430,500	284,771	145,729				
196	KGH - IMIT - Vocera	80,000	74,083	5,917				
197	Regional - IMIT Corporate Projects under \$100,000	217,900	187,924	29,976				
198	KGH - Wireless Infrastructure Refresh	12,000	6,835	5,165				
199	KGH - Telehealth Infrastructure Refresh	11,000	6,576	4,424				
200	KGH - Medstations, IH-Wide Pyxis Replacement, Ph.2	1,688,400	1,565,143	123,257				
201	KGH - Multi Purpose System	717,600	674,044	43,556				
202	KGH - General Radiographic system - Digital	387,600	314,594	73,006				
204	Three Links Manor - Generator Replacement	224,400	58,001	166,399				
205	Cottonwoods - Dining Room Renovations	182,000	107,002	74,998				
207	David Lloyd Jones Home - Air Conditioning, Bernard Wing	36,000		36,000				
208	Cottonwoods - Patio Replacement for Douglas Fir Unit	34,800	20,841	13,959				
209	May Bennett WC - Wireless Infrastructure Expansion	22,000		22,000				
211	KGH - Surface Parking	540,000		540,000				
212	Kelowna Community Health Services Centre - Central Okanagan Wellness Centre	360,000	321,340	38,660				
213	West Kelowna Health Centre - Leasehold Improvements	300,000		300,000				
214	KGH - 3 West Medical Inpatient Nursing Unit Renovation	100,000		100,000				
215	KGH - Increase Pathologist Office Space	39,600	31,242	8,358				
216	KGH - Access Control System Upgrade	24,000		24,000				
217	Regional IMIT - Various	2,039,600	682,628	1,356,972				
218	Cottonwoods - Vocera Expansion and Integration	72,000	49,579	22,421				
220	KGH - Vocera Expansion and Integration	20,000		20,000				
221	Rutland Health Centre - Wireless Infrastructure Expansion	10,000		10,000				
222	KGH - Ultrasound, Cardiac	92,800	86,237	6,563				
223	KGH - Ultrasound	69,200		69,200				
<b>Annual Capital Costs for Current Year Projects</b>		<b>93,048,600</b>	<b>78,113,412</b>	<b>5,748,188</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>New Projects Planned for 2019</b>								
225	KGH - Surgical Optimization Clinic - Various	1,812,000		1,812,000				
226	KGH - Boiler Room Upgrade	252,000		252,000				
227	KGH - Access Control System Upgrade	31,620		31,620				
228	Regional - IH-Wide IMIT	991,600		991,600				
229	Various - Wireless Infrastructure Refresh	38,000		38,000				
230	KGH - SPECT CT	729,200		729,200				
231	KGH - Monitoring System Physiological	312,200		312,200				
232	KGH - Chemistry Analyzer (x2)	180,000		180,000				
233	KGH - Hematology Analyzer (x2)	148,000		148,000				
234	KGH - Laboratory Middleware	127,000		127,000				
235	KGH - MRI Compatible Monitoring System	51,000		51,000				
236	Minor Equipment Grant Estimate Future Years			965,300	979,780	994,476	1,014,366	1,034,653
	Future Projects estimated by RDCO staff				3,220,000	3,268,300	3,317,325	3,367,084
b	<b>Annual Capital Costs for Planned Projects</b>	<b>4,672,620</b>	<b>0</b>	<b>5,637,920</b>	<b>4,199,780</b>	<b>4,262,776</b>	<b>4,331,690</b>	<b>4,401,737</b>
<b>TOTAL ANNUAL CAPITAL COSTS</b>		<b>97,721,220</b>	<b>78,113,412</b>	<b>11,386,108</b>	<b>4,199,780</b>	<b>4,262,776</b>	<b>4,331,690</b>	<b>4,401,737</b>

- a. Includes IHA's Project Reserve. Bylaw is for \$91.347m and IHA revised project total to \$84.69 million. Currently with reduced contingencies, total estimated funding requirement is \$75.503 million vs \$76.265 million in 2016 (Revised variance from \$8.425 million to \$9.187 million in 2017). Budget reflects \$75.503m.
- b. For 2019, IHA has cancelled previously approved project request for \$1.5m for Laboratory Automation System, Bylaw 172. Other projects added. Net new project ask in 2019 is \$4.14m.