



**CENTRAL OKANAGAN REGIONAL
HOSPITAL DISTRICT BOARD MEETING
AGENDA**

Thursday, March 12, 2020

8:30 a.m.

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

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

Recommended Motion:
THAT the agenda be adopted.

4. ADOPTION OF THE MINUTES

4.1 Regional Hospital District Board Meeting Minutes - February 20, 2020

1 - 3

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

Recommended Motion:
THAT the Regional Hospital Board meeting minutes of February 20, 2020 be adopted.

5. BUSINESS ARISING

5.1 CORHD 2020-2024 Financial Plan (2nd Draft)

4 - 10

M. Rilkoff, Director of Finance, to present

5.1.1 Invitation for the Public to Comment the 2020-2024 Financial Plan

5.1.2 Recommendation to Forward the Draft Budget to the March 23, 2020 Regional Hospital Board meeting for final approval

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

Recommended Motion:

THAT the Regional Hospital District Board receive the 2nd draft budget for information;

AND FURTHER THAT the budget be forwarded to the March 23, 2020 Board meeting for final adoption.

6. ADJOURN

**Minutes of the *MEETING* of the Central Okanagan Regional Hospital District
Inaugural Meeting held in the Woodhaven Board Room, Regional District Offices
on Thursday, February 20, 2020**

Directors: J. Baker (District of Lake Country)
C. Basran (City of Kelowna)
M. Bartyik (Central Okanagan East Electoral Area)
W. Carson (Central Okanagan West Electoral Area)
M. DeHart (City of Kelowna)
C. Fortin (District of Peachland)
G. Given (City of Kelowna)
C. Hodge (City of Kelowna)
S. Johnston (City of West Kelowna)
G. Milsom (City of West Kelowna)
B. Sieben (City of Kelowna)
L. Stack (City of Kelowna)
L. Wooldridge (City of Kelowna)
J. Coble (Westbank First Nation)

Staff: B. Reardon, Chief Administrative Officer
M. Rilkoﬀ, Director of Financial Services
M. Drouin, Manager - Corporate Services (recording secretary)

1. CALL TO ORDER

Chair Given called the meeting to order at 8:30 a.m.

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

2. ADOPTION OF THE AGENDA

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

#H03/20 MILSOM/WOOLDRIDGE

THAT the agenda be adopted.

CARRIED unanimously

3. ADOPTION OF THE MINUTES

3.1 Regional Hospital District Board Meeting Minutes - January 16, 2020 *(All Directors - Unweighted Corporate Vote - Simple Majority - 208.1)*

#H04/20 MILSOM/WOOLDRIDGE

THAT the Regional Hospital District Board meeting minutes of January 16, 2020 be adopted.

CARRIED unanimously

Director Sieben arrived at 8:40 a.m.

4. NEW BUSINESS

- 4.1 Interior Health Authority - Capital Funding Request for 2020/2021 Fiscal Year (In attendance: Dan Goughnour, Director Business Support) *(All Directors - Unweighted Corporate Vote - Simple Majority - 208.1)*

Dan Goughnour and Jaymi Chernoff, Interim Executive Director for KGH, addressed the Board outlining an overview of Interior Health, including the capital projects (CORHD portion \$4.65mil) proposed for 2020. In addition, staff provided a letter for an additional capital funding request for a KGH parkade.

Director Basran arrived at 8:47 a.m.

A review of routine capital investments looking ahead was outlined. Priority investments requiring Ministry of Health approval were highlighted ie: long term care beds, Strathcona building upgrades; medical Imaging nuclear medicine upgrades and the KGH parkade. Ministry of Health is supportive of an additional parkade at KGH. The CORHD share would be 23% (\$4.6mil). Timing is to break ground in the fall.

Question and answer period followed. IHA agreed to attend another meeting to review future services.

#H05/20 WOOLDRIDGE/HODGE

THAT the Interior Health Authority letter of December 12, 2019 regarding their capital funding request for the 2020/2021 fiscal year and their presentation, and the capital funding request letter of February 19, 2020 for a KGH parkade be received for information.

CARRIED unanimously

- 4.2 2020-2024 CORHD Draft Financial Plan *(All Directors - Unweighted Corporate Vote - Simple Majority - 208.1)*

Director of Financial Services, Marilyn Rilkoff, presented the 2020-2024 Financial Plan.

- COHRD funds up to 40% of approved capital requests from IHA
- Requisition of \$18.3m, total of \$9.953m for IHA capital projects
- Continue to set aside reserves of \$6.7m in 2020, balance at the end of the year \$11.7m
- Tax impact was highlighted (based on an average home accessed at \$741,000).

	2020	2021	2022	2023	2024
% increase per home	3.00%	3.00%	3.00%	3.00%	3.00%
Annual Tax	\$188.86	\$194.51	\$200.34	\$206.34	\$212.52
Residential Tax Rate (cents)	0.2571	0.2648	0.2728	0.2809	0.2893

- IHA’s funding request for 2020 is \$4.65mil (\$5.3mil carried forward from 2019).
- An option of a 2.40% increase was provided however this would mean increase in debt financing and interest costs and less in reserves.
- The proposed KGH parkade was included in the draft budget in 2021.

The Board discussed the budget impact including the addition of the KGH parkade project.

#H06/20 STACK/MILSOM

THAT the Board agrees to fund 23% or \$4.6m of the proposed KGH Parkade Project in advance of the 2021-2025 Financial Plan.

CARRIED unanimously

#H07/20 BAKER/MILSOM

THAT the Regional Hospital District Board receive the draft budget for information;

AND THAT changes be made to incorporate the new KGH parkade project into the 2020-2024 Financial Plan for 2021 and brought forward to a Central Okanagan Hospital District meeting to be scheduled for March 12, 2020.

CARRIED unanimously

5. PUBLIC COMMENT ON CORHD 2020-2024 FINANCIAL PLAN

There was no comment

6. ADJOURN

There being no further business the meeting was adjourned at 10:00 a.m.

CERTIFIED TO BE TRUE AND CORRECT

G. Given (Chair)

B. Reardon (Chief Administrative Officer)



Regional Hospital District Board Report

TO: Central Okanagan Regional Hospital District Board

FROM: Marilyn Rilkoﬀ
Director of Financial Services

DATE: February 26, 2020

SUBJECT: 2020 – 2024 Central Okanagan Regional Hospital District Financial Plan Draft #2

Voting Entitlement: All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208.1

Purpose: To present the 2nd Draft of the 2020 – 2024 Financial Plan.

Executive Summary:

As directed by the Board at the February 20, 2020 CORHD Meeting, the 2020-2024 CORHD Financial Plan Draft #2 proposes annual increases of 3% due to a long term financial planning strategy to set aside reserves. This enables the Board to have the ability to continue to fund its share of annual capital project requests or pay down debt and reduce the amount of debt financing that would be required for upcoming larger projects. The average homeowner with a house assessed at \$734,500 will pay \$188.86 for Hospital Taxes (vs. \$183.35 in 2019), an increase of \$5.51.

Annually, the Interior Health Authority (IHA) makes funding requests to CORHD in the range of \$5 million. There are indications that on the 10 year horizon, CORHD will be requested to fund an additional \$55 - \$65 million for its share of larger capital projects.

The CORHD Financial Plan has changed in accordance with revised project information for 2020 (minor) and 2021 (significant). The most significant change is the reduction in the parkade project estimate from \$20m in 2021 to \$4.6m. As a result, financing will no longer be required in 2021 and only \$6.5m from reserves would be required (vs. \$11.2m in Draft #1) to help fund 2021 projects. Additional amounts can now be transferred to continue to build reserves from 2022 – 2024.

RECOMMENDATION:

THAT the Regional Hospital District Board receive the 2nd draft budget for information;

AND FURTHER THAT the budget be forwarded to the March 23, 2020 Board meeting for final adoption.

Respectfully Submitted:

Handwritten signature of Marilyn Rilkoﬀ in black ink.

Marilyn Rilkoﬀ
Director of Financial Services

Approved for Board's Consideration

Handwritten signature of Brian Reardon in black ink.

Brian Reardon, CAO

Implications of Recommendation:

Financial: 3% increase per average household. The average homeowner will pay \$188.86 for Hospital Taxes (vs. \$183.35 in 2019). This is an increase of \$5.51. Results in future reduced taxpayer costs due to less debt financing.

Legal/Statutory Authority: *Hospital District Act* – Part 1 – Definitions 1 and Part 3 – Functioning of Board Division 1, Purposes Section 20 (1).

Background:

Financial Considerations:

As directed by the Board at the February 23, 2020 CORHD Meeting, the 2020-2024 CORHD Financial Plan Draft #2 includes annual increases of 3% due to a long term financial planning strategy to set aside reserves.

This enables the Board to have the ability to continue to fund its share of annual capital project requests and special projects, or pay down debt and reduce the amount of debt financing that would be required for upcoming larger requests.

The average homeowner with a house assessed at \$734,500 will pay \$188.86 for Hospital Taxes (vs. \$183.35 in 2019), an increase of \$5.51.

	2020	2021	2022	2023	2024
% increase per house	3.00%	3.00%	3.00%	3.00%	3.00%
Annual Tax	\$188.86	\$194.51	\$200.34	\$206.34	\$212.52
Residential Tax Rate (cents)	0.2571	0.2648	0.2728	0.2809	0.2893

Annually, the Interior Health Authority (IHA) makes funding requests to CORHD in the range of \$5 million. There are indications that on the 10 year horizon, CORHD will be requested to fund an additional \$55 - \$65 million for its share of larger capital projects.

Projects:

The CORHD Financial Plan has changed in accordance with revised project information for 2020 (minor) and 2021 (significant).

2020 – Changes in accordance with 2019 Year End Final Actual amounts affects amounts carried forward for projects previously approved:

- o Bylaw 184 – KGH – Image Processing System Cellavision completed. Remove \$1,204.
- o Bylaw 211 – KGH – Surface Parking -- increased from \$15,782 to \$524,218. Prior year funding was \$15,782, not \$524,218. Majority of project to be funded in 2020.

As a result, a net \$507,232 less is transferred to reserves in 2020 as this additional amount is required to fund current year projects.

2021

Reduction in the KGH Parkade project estimate from \$20m to \$4.6m. The impacts to the budget are:

- \$11.2m financing will no longer be required in 2021.
- Future budgeted debt payments of \$892k from 2022 – 2024 can be transferred to reserves instead.
- Only \$6.5m from reserves would be required (vs. \$11.2m in Draft #1) to help fund 2021 projects.
- At the end of 2024, reserves are forecast at \$25.7m (vs. \$18.7m in Draft #1). Reserves are \$7m higher, and there is no additional outstanding debt with 20 year debt payments.

Conclusion -- No change to 3% Increase Recommended in Draft #1:

The 3% increases and reserve strategy remains the recommendation as planned.

- While there is a reduction in the cost of the KGH Parkade project from \$20m to \$4.6m, Draft #1 of the Financial Plan reflected that over half of the project would have required debt financing of \$11.2m over 20 years, with annual debt payments estimated at \$892k. This is no longer required and as stated above. Instead, reserves can continue to be built for future project or debt reduction use.
 - This illustrates that it is better to continue with the strategy to reduce debt costs by setting aside reserves for the future \$55 - \$65m in projects so that less long term financing is required and less interest costs are incurred.
 - The annual debt payment costs (\$892k) equated to 4.9% of the current requisition (\$18.3m).
 - The requisition increases in the future would otherwise need to go up to fund the new debt payments, and rate increases would likely be higher than 3%.
 - This reduces costs to taxpayers over the long run due to less debt financing interest costs.

External Implications: Improved health care infrastructure.

Alternative Recommendation: None.

Attachment(s):

2020 – 2024 CORHD Financial Plan Mar 12 Draft #2 with Project Listing

2020 – 2024 CORHD Financial Plan Feb 20 Draft #1 for comparative purposes

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2020-2024 FINANCIAL PLAN

COMPLETED ROLL Draft #2

	2020	2021	2022	2023	2024
REVENUE & FINANCING:	\$	\$	\$	\$	\$
Tax Requisition					
City of Kelowna	13,117,911	13,645,907	14,195,155	14,766,510	15,360,862
District of Peachland	474,411	493,506	513,370	534,033	555,528
District of Lake Country	1,248,227	1,298,469	1,350,732	1,405,099	1,461,654
City of West Kelowna	2,813,174	2,926,405	3,044,192	3,166,721	3,294,182
Electoral Area Central Okanagan West	341,238	344,650	348,097	351,578	355,094
Electoral Area Central Okanagan East	314,038	317,178	320,350	323,554	326,789
Total Tax Requisition	18,309,000	19,026,115	19,771,896	20,547,494	21,354,108
Net Cash from New Financing	0	0 a	0	0	0
MFA Actuarial Addition	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c	2,352,192 c
Transfer From Reserves	0	6,502,000 a	0	0	0
Use of Surplus Cash	7,000,000	0	0	0	0
TOTAL REVENUE	26,735,374	27,172,670	21,643,025	22,654,505	23,706,300
EXPENSES & DEBT PAYMENTS:					
Expenses:					
Administration	39,500	40,000	40,500	41,000	41,500
Audit & Contract Services	9,250	9,500	9,775	10,050	11,175
Debt Issue Expense	0	0	0	0	0
Principal Debt Reduction re: MFA Actuarial Addition	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c	2,352,192 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	0 a	0 a	0 a	0 a
Temporary Borrowing Interest	25,000	25,000	25,000	25,000	25,000
Total Expenses & Debt Payments	10,053,739	10,272,670	10,500,019	10,736,676	10,983,482
Expenditure Funding Under Section 20(2)					
IHA Minor Capital Improvements and Equipment Funding:	1,030,300	1,045,755	1,061,441	1,082,670	1,104,323
IHA Capital Projects (Pd with Current Budget Funds)	9,429,564 f	15,854,246 a,f	3,938,559 f	3,997,638	4,057,602
IHA Capital Projects (Pd with New Financing)	0	0 a	0	0	0
Transfer to Reserves	6,221,771 d, h	0	6,143,006 d	6,837,522 d	7,560,893 d
Total Capital Projects Section 20(2)	16,681,635	16,900,000	11,143,006	11,917,829	12,722,818
TOTAL EXPENDITURE	26,735,374	27,172,670	21,643,025	22,654,505	23,706,300
Year End Reserve Balance (Unrestricted)	(11,207,658) d, h	(4,817,735) d	(11,008,918) d	(17,956,529) d	(25,696,987) d

Impact on residential home average assessment \$734,500 in 2020:

% Increase per house	3.00%	3.00%	3.00%	3.00%	3.00%
Annual Tax	188.86	194.51	200.34	206.34	212.52
Residential Tax Rate (cents)	0.2571	0.2648	0.2728	0.2809	0.2893
	b, d, e	b, d	b, d	b, d	b, d

- a. No additional debt required to fund anticipated 2021 projects. Use reserves. IHA has indicated that there are potential large project requests coming in the next 10 years.
- 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.
- e. In 2019, the average equivalent house valued at \$741,000 would have paid \$183.35 at a tax rate of \$0.2481/\$1000 of assessment.
- f. Includes IHSC Project: In 2017 IHA advised that construction uncertainties had been removed and contingencies were 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 was not reduced. The remaining costs in 2020 are expected to be less than \$100k as the project wraps up.
- 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 2019 is provided during budget discussions 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 2020-2024

COMPLETED ROLL Draft #2

		<i>40 % RHD Share</i>	<i>Outstanding Projects Funding in Prior Years</i>	2020 Funding	2021 Funding	2022 Funding	2023 Funding	2024 Funding
Approved Capital Projects								
Bylaw								
a	113 Heart and Surgical Centre (2010 - 2019) Bylaw is \$91.347m, plus 100% funding of IHSC 4th Floor Perinatal	84,690,000	73,780,729	100,000				
	150 KGH - Automated Auto-Immune Analyzer	128,000	64,501	63,499				
	195 Regional - IMIT Corporate Projects over \$100,000	430,500	371,040	59,460				
	197 Regional - IMIT Corporate Projects under \$100,000	217,900	211,490	6,410				
	200 KGH - Medstations, IH-Wide Pyxis Replacement, Ph.2	1,688,400	1,576,109	112,291				
	204 Three Links Manor - Generator Replacement	224,400	140,812	83,588				
	207 David Lloyd Jones Home - Air Conditioning, Bernard Wing	36,000		36,000				
	208 Cottonwoods - Patio Replacement for Douglas Fir Unit	34,800	31,537	3,263				
	209 May Bennett WC - Wireless Infrastructure Expansion	22,000	21,527	473				
	211 KGH - Surface Parking	540,000	15,782	524,218				
	212 Kelowna Community Health Services Centre - Central Okanagan Wellness Centre	360,000	332,250	27,750				
	213 West Kelowna Health Centre - Leasehold Improvements	300,000		300,000				
	214 KGH - 3 West Medical Inpatient Nursing Unit Renovation	100,000		100,000				
	216 KGH - Access Control System Upgrade	24,000	23,203	797				
	217 Regional IMIT - Various	2,039,600	1,072,494	967,106				
	218 Cottonwoods - Vocera Expansion and Integration	72,000	49,579	22,421				
	219 Wireless Infrastructure Refresh	39,600	30,520	9,080				
	220 KGH - Vocera Expansion and Integration	20,000	9,070	10,930				
	221 Rutland Health Centre - Wireless Infrastructure Expansion	10,000	3,815	6,185				
	225 KGH - Surgical Optimization Clinic - Various	1,812,000	1,011,087	800,913				
	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	407,368	584,232				
	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	142,964	5,036				
	234 KGH - Laboratory Middleware	127,000		127,000				
	235 KGH - MRI Compatible Monitoring System	51,000	50,905	95				
b	237 Kelowna Urgent Primary Care Centre Capital Tenant Imprvmts.	789,600	473,603	315,997				
Annual Capital Costs for Current Year Projects		96,439,420	79,820,385	5,809,764	0	0	0	0
New Projects Planned for 2020								
	Cottonwoods - Septic Drain - Planning & Phase 1	200,000		200,000				
	Regional - IH - Wide IMIT - Various	1,004,800		1,004,800				
	KGH - Unified Communications - Telephony	582,400		582,400				
	KGH - Emergency Department Module (EDM) Implement/Plan	60,000		60,000				
	KGH - Cath Lab	621,600		621,600				
	KGH - Meal Delivery System	598,400		598,400				
	KGH - Integrated Chemistry / Immunochemistry Analyzer	180,000		180,000				
	KGH - Digital Video Cameras	130,000		130,000				
	KGH - Blood Culture System	119,000		119,000				
	KGH - Remote Patient Observation System	123,600		123,600				
	Minor Equipment Grant Estimate Future Years			1,030,300	1,045,755	1,061,441	1,082,670	1,104,323
	KGH Parkade (approved in advance)				4,600,000			
c	Future Projects estimated				11,254,246	3,938,559	3,997,638	4,057,602
Annual Capital Costs for New Planned Projects		3,619,800	0	4,650,100	16,900,000	5,000,000	5,080,307	5,161,925
TOTAL ANNUAL CAPITAL COSTS		100,059,220	79,820,385	10,459,864	16,900,000	5,000,000	5,080,307	5,161,925

- a. Includes IHA's Project Reserve. Bylaw is for \$91.347m and with reduced contingencies, total estimated funding requirement is \$73.88m.
- b. 2019 Mid-cycle request received from IHA to fund Urgent Primary Care Centre. Actual project funding provision subject to the facility being named a Designated Hospital Facility as is required under the Regional Hospital District Act.
- c. 2021 includes staff estimates for possible \$6m MRI purchase.

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2020-2024 FINANCIAL PLAN

COMPLETED ROLL Draft #1

	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
REVENUE & FINANCING:					
Tax Requisition					
City of Kelowna	13,117,911	13,645,907	14,195,155	14,766,510	15,360,862
District of Peachland	474,411	493,506	513,370	534,033	555,528
District of Lake Country	1,248,227	1,298,469	1,350,732	1,405,099	1,461,654
City of West Kelowna	2,813,174	2,926,405	3,044,192	3,166,721	3,294,182
Electoral Area Central Okanagan West	341,238	344,650	348,097	351,578	355,094
Electoral Area Central Okanagan East	314,038	317,178	320,350	323,554	326,789
Total Tax Requisition	18,309,000	19,026,115	19,771,896	20,547,494	21,354,108
Net Cash from New Financing	0	11,161,540 a	0	0	0
MFA Actuarial Addition	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c	2,352,192 c
Transfer From Reserves	0	11,200,000	0	0	0
Use of Surplus Cash	7,000,000	0	0	0	0
TOTAL REVENUE	26,735,374	43,032,210	21,643,025	22,654,505	23,706,300
EXPENSES & DEBT PAYMENTS:					
Expenses:					
Administration	39,500	40,000	40,500	41,000	41,500
Audit & Contract Services	9,250	9,500	9,775	10,050	11,175
Debt Issue Expense	0	67,646 a	0	0	0
Principal Debt Reduction re: MFA Actuarial Addition	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c	2,352,192 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	225,486 a	892,327 a	892,327 a	892,327 a
Temporary Borrowing Interest	25,000	191,408 a,h	25,000	25,000	25,000
Total Expenses & Debt Payments	10,053,739	10,732,210	11,392,346	11,629,003	11,875,809
Expenditure Funding Under Section 20(2)					
IHA Minor Capital Improvements and Equipment Funding:	1,030,300	1,045,755	1,061,441	1,082,670	1,104,323
IHA Capital Projects (Pd with Current Budget Funds)	8,922,332 f	20,160,352 a,f	3,938,559 f	3,997,638	4,057,602
IHA Capital Projects (Pd with New Financing)	0 a	11,093,894 a	0	0	0
Transfer to Reserves	6,729,003 d, h	0	5,250,679 d	5,945,195 d	6,668,566 d
Total Capital Projects Section 20(2)	16,681,635	32,300,000	10,250,679	11,025,502	11,830,491
TOTAL EXPENDITURE	26,735,374	43,032,210	21,643,025	22,654,505	23,706,300
Year End Reserve Balance (Unrestricted)	(11,714,890) d,h	(632,039) d	(5,889,038) d	(11,893,124) d	(18,680,621) d

Impact on residential home average assessment \$734,500 in 2020:

% Increase per house	3.00%	3.00%	3.00%	3.00%	3.00%
Annual Tax	188.86	194.51	200.34	206.34	212.52
Residential Tax Rate (cents)	0.2571	0.2648	0.2728	0.2809	0.2893
	b,d,e	b,d	b,d	b,d	b,d

- a. Additional debt required to fund anticipated 2021 projects. IHA has indicated that there are potential large project requests coming in the next 10 years.
- 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.
- e. In 2019, the average equivalent house valued at \$741,000 would have paid \$183.35 at a tax rate of \$0.2481/\$1000 of assessment.
- f. Includes IHSC Project: In 2017 IHA advised that construction uncertainties had been removed and contingencies were 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 was not reduced. The remaining costs in 2020 are expected to be less than \$100k as the project wraps up.
- 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 2019 is provided during budget discussions 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. Additional temporary interest prior to borrowing.

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

Approved and Planned Capital Expenditures for 2020-2024

COMPLETED ROLL Draft #1

		<i>Outstanding Projects</i>						
		<i>40 % RHD Share</i>	<i>Funding in Prior Years</i>	2020 Funding	2021 Funding	2022 Funding	2023 Funding	2024 Funding
Approved Capital Projects								
Bylaw								
a	113	Heart and Surgical Centre (2010 - 2019) Bylaw is \$91.347m, plus 100% funding of IHSC 4th Floor Perinatal	84,690,000	73,780,729	100,000			
	150	KGH - Automated Auto-Immune Analyzer	128,000	64,501	63,499			
	184	KGH - Image Processing System, Cellavision	61,600	60,396	1,204			
	195	Regional - IMIT Corporate Projects over \$100,000	430,500	371,040	59,460			
	197	Regional - IMIT Corporate Projects under \$100,000	217,900	211,490	6,410			
	200	KGH - Medstations, IH-Wide Pyxis Replacement, Ph.2	1,688,400	1,576,109	112,291			
	204	Three Links Manor - Generator Replacement	224,400	140,812	83,588			
	207	David Lloyd Jones Home - Air Conditioning, Bernard Wing	36,000		36,000			
	208	Cottonwoods - Patio Replacement for Douglas Fir Unit	34,800	31,537	3,263			
	209	May Bennett WC - Wireless Infrastructure Expansion	22,000	21,527	473			
	211	KGH - Surface Parking	540,000	524,218	15,782			
	212	Kelowna Community Health Services Centre - Central Okanagan Wellness Centre	360,000	332,250	27,750			
	213	West Kelowna Health Centre - Leasehold Improvements	300,000		300,000			
	214	KGH - 3 West Medical Inpatient Nursing Unit Renovation	100,000		100,000			
	216	KGH - Access Control System Upgrade	24,000	23,203	797			
	217	Regional IMIT - Various	2,039,600	1,072,494	967,106			
	218	Cottonwoods - Vocera Expansion and Integration	72,000	49,579	22,421			
	219	Wireless Infrastructure Refresh	39,600	30,520	9,080			
	220	KGH - Vocera Expansion and Integration	20,000	9,070	10,930			
	221	Rutland Health Centre - Wireless Infrastructure Expansion	10,000	3,815	6,185			
	225	KGH - Surgical Optimization Clinic - Various	1,812,000	1,011,087	800,913			
	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	407,368	584,232			
	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	142,964	5,036			
	234	KGH - Laboratory Middleware	127,000		127,000			
	235	KGH - MRI Compatible Monitoring System	51,000	50,905	95			
b	237	Kelowna Urgent Primary Care Centre Capital Tenant Imprvmts.	789,600	473,603	315,997			
Annual Capital Costs for Current Year Projects			96,501,020	80,389,217	5,302,532	0	0	0
New Projects Planned for 2020								
		Cottonwoods - Septic Drain - Planning & Phase 1	200,000		200,000			
		Regional - IH - Wide IMIT - Various	1,004,800		1,004,800			
		KGH - Unified Communications - Telephony	582,400		582,400			
		KGH - Emergency Department Module (EDM) Implement/Plan	60,000		60,000			
		KGH - Cath Lab	621,600		621,600			
		KGH - Meal Delivery System	598,400		598,400			
		KGH - Integrated Chemistry / Immunochemistry Analyzer	180,000		180,000			
		KGH - Digital Video Cameras	130,000		130,000			
		KGH - Blood Culture System	119,000		119,000			
		KGH - Remote Patient Observation System	123,600		123,600			
		Minor Equipment Grant Estimate Future Years			1,030,300	1,045,755	1,061,441	1,082,670
		Future Projects estimated				31,254,246	3,938,559	3,997,638
		Annual Capital Costs for New Planned Projects	3,619,800	0	4,650,100	32,300,000	5,000,000	5,080,307
TOTAL ANNUAL CAPITAL COSTS			100,120,820	80,389,217	9,952,632	32,300,000	5,000,000	5,080,307

- a. Includes IHA's Project Reserve. Bylaw is for \$91.347m and with reduced contingencies, total estimated funding requirement is \$73.88m.
- b. 2019 Mid-cycle request received from IHA to fund Urgent Primary Care Centre. Actual project funding provision subject to the facility being named a Designated Hospital Facility as is required under the Regional Hospital District Act.
- c. 2021 includes staff estimates for possible \$6m MRI purchase and \$20m parkade project.