



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

Thursday, February 25, 2021

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.

In accordance with the most recent Provincial Health Officer Order regarding gatherings and events, the public is currently not permitted to attend Board meetings in-person.

As an open meeting, a live audio-video feed is being broadcast and recorded on rdco.com.

Roll Call

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 - January 14, 2021

1 - 3

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

Recommended Motion:

THAT the Regional Hospital District Board meeting minutes of January 14, 2021 be adopted.

5. NEW BUSINESS

5.1. Interior Health Authority - Capital Funding Request for 2021/2025 Fiscal Year

4 - 8

In attendance: Dan Goughnour, Director of Business Support; Jaymi Chernoff, Executive Director KGH; and Danielle Cameron, Executive Director Central Okanagan Communities

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

Recommended Motion:

THAT the Interior Health Authority letter of December 17, 2020 regarding their capital funding request for 2021/2025 fiscal year and their presentation to the Board be received.

6. FINANCIAL SERVICES

6.1. 2021 - 2025 CORHD Draft Financial Plan

9 - 29

6.1.1. Director of Financial Services Presentation of the 5-Year Financial Plan

6.1.2. Public Comment on the CORHD 2021-2025 Financial Plan

Due to the current Provincial Health Orders public comment will be received by letter/email.

6.1.3. Recommendation to Forward to the March 29, 2021 CORHD Board Meeting

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

Recommended Motion:

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

AND FURTHER THAT the 2021 – 2025 Financial Plan be forwarded to the March 29, 2021 Board Meeting for final adoption with an increase of 4%.

7. 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, January 14, 2021**

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

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

1. CALL TO ORDER

Brian Reardon, Chief Administrative Officer, acknowledged that this meeting is being held on the traditional territory of the syilx/Okanagan peoples and called the meeting to order at 8:35 a.m.

In accordance with the most recent Provincial Health Officer Order regarding gatherings and events, the public is currently not permitted to attend Board meetings in-person. As an open meeting, a live audio-video feed is being broadcast and recorded on rdco.com.

B. Reardon, called the meeting to Order and Roll Call was taken as *some board members were in attendance electronically.*

As per the Hospital District Act, section 13 the board must elect a chair and vice-chair at the first meeting held in each year.

2. ELECTION OF CHAIR

B. Reardon called for nominations for Chair of the Regional Hospital District Board for 2021.

Director Given was nominated by Director Baker, seconded by Director Wooldridge
Director Given confirmed that she would accept a nomination.

B. Reardon called three times for further nominations and there being none nominations were closed.

Director Given was acclaimed Chair of the Regional Hospital District for 2021.

3. ELECTION OF VICE CHAIR

B. Reardon called for nominations for Vice-Chair of the Regional Hospital District Board for 2021.

Director Milsom was nominated by Director Wooldridge, seconded by Director DeHart Director Milsom confirmed that she would accept a nomination.

B. Reardon called three times for further nominations and there being none nominations were closed.

Director Milsom was acclaimed Vice Chair of the Regional Hospital District Board for 2021.

Chair Given assumed the Chair.

4. ADOPTION OF MINUTES

- 4.1. Regional Hospital District Meeting Minutes - October 8, 2020 (*All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1*)

#H01/21

BAKER/HODGE

THAT the Regional Hospital District Board meeting minutes of October 8, 2020 be adopted.

CARRIED unanimously

5. NEW BUSINESS

- 5.1. CORHD Capital Expenditure Bylaw No. 252, **1st, 2nd and 3rd readings and Adoption** (*All Directors - Weighted Vote - Majority - LGA 210/214*)

Staff report dated December 14, 2020 outlined the capital expenditure bylaw for the newly designated facility for West Kelowna Urgent Primary Care Centre.

#H02/21

BAKER/MILSOM

THAT the Central Okanagan Regional Hospital District Board give 1st, 2nd, and 3rd readings and adopt Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 252.

CARRIED unanimously

Director Basran arrived at 8:45 a.m.

- 5.2. BDO Audit Plan Report (*All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1*)

Staff report dated December 15, 2020 outlined the audit planning report for the 2020 fiscal year audit. ANY COVID response in audit

#H03/21

HODGE/FORTIN

THAT the Board receives for information BDO's 2020 Audit Planning Report to the Board of Directors, dated December 7, 2020;

AND FURTHER THAT the Board does not have any further direction or questions for the auditors at this time.

CARRIED unanimously

6. ADJOURN

There being no further business the meeting was adjourned at 8:50 a.m.

CERTIFIED TO BE TRUE AND CORRECT

G. Given (Chair)

B. Reardon (Chief Administrative Officer)

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

December 17, 2020

Dear Mr. Reardon:

RE: CAPITAL FUNDING REQUEST FOR THE 2021/22 FISCAL YEAR

Please find enclosed our annual funding request for Interior Health's (IH) next fiscal year for your approval. It is based on IH's capital budget, which has been approved by our Board. The budget is developed by prioritizing identified capital needs throughout our organization with available funding sources while considering IH's and government strategies. Provincially, there is still a strong focus on Primary & Community Care Transformation, which has been reflected in the budget with the inclusion of several Urgent and Primary Care Centres, Primary Care Networks and Community Health Centre.

In addition, there are continued efforts to improve senior's care, the urgency of which the pandemic has only highlighted. IH is planning to build several new long-term care facilities over the next few years across our region. The pandemic also has had an impact on surgical services, which is reflected in the budget with the acquisition of pertinent instrumentation for our operating rooms.

The bulk of the capital budget, however, is focused on infrastructure investments that aim at maintaining the basic services at our sites, whether it be on the facility side, equipment replacement or information technology maintenance and expansion.

Please note that all capital initiatives over \$100,000 are subject to government approval. To aid you with your planning efforts, we will be providing you with information regarding notional government funding, a high level estimate of the three year funding requirement and a listing of IH's major prioritized items under separate cover.

For the 2021/22 fiscal year we are requesting funding for the following projects and equipment:

1. Construction Projects over \$100,000

a. Primary Care Network in Kelowna and Rutland

The Kelowna and Rutland Primary Care Networks (PCN) are consistent with the strategic direction of both IH and the Ministry of Health (MoH) and supports a team-based primary care model. The PCNs are a partnership effort between IH, Aboriginal, and Divisions of Family Practice partners. The focus of the PCNs is to improve access and attachment to primary care physicians and nurse practitioners for all people living in Kelowna, Rutland, and Lake Country.

b. Outreach Urban Health (OUH)

This project seeks to relocate OUH to a nearby location that provides a larger space more suited to serving patients and clients safely and indoors. The leased site requires renovations and site improvements to be operational. Mental Health & Substance Use services available include injectable Opioid Agonist

Treatment, Assertive Community Treatment Team, and the Crisis Response Team. Budget of this project includes tenant improvements, information technology drops, furniture and fixtures.

c. Sprinkler Pipe Replacement at Kelowna General Hospital, Kelowna

The fire sprinkler piping in the Royal Building has been subject to electrolysis, resulting in pin holes if not replaced. There is potential for a major rupture which could cause extreme damage to hospital equipment and infrastructure. This project will address ongoing operational impacts in dealing with leaks and will complete the fire sprinkler piping replacement on the main floor in this building.

d. Parking Initiative at Kelowna General Hospital, Kelowna

On February 19, 2020 IH sent your Regional Hospital District (RHD) a funding request letter for construction of an additional parkade at Kelowna General Hospital for the 2021/22 budget year. Thank you for passing bylaw #249 for 23% of \$20M in the amount of \$4.6M. IH is not requesting any additional funding for this project but wishes to inform you of a change in scope. Planning has now taken place and has lead us to a different approach to address parking challenges. Rather than building a single parkade we have determined that the preferred solution is to acquire land with close adjacency to the Kelowna General Hospital campus and to develop surface parking lots on those properties.

2. IH-Wide Information Technology (IMIT)

The ongoing advancement of the IH digital platform is a key enabler of IH's ability to support health service operations, enable key strategies, improve quality and patient safety, and incorporate innovation to improve effectiveness and efficiency. This year's IMIT strategy builds on prior year investments with ongoing improvements in the communication and exchange of critical patient clinical documentation to both patients and their health care providers. In addition this year's request includes improved functionality for diagnostic tests vital for quality patient care.

This IMIT project is an IH-wide initiative costing approximately \$12.5 million. The project's benefits are distributed equally across IH regions; therefore the cost allocation to each of the RHDs is based upon population data using the PEOPLE 2020, BC Statistics. The Central Okanagan RHD's percentage ratio is approximately 26%. Claims on this project will be calculated using this percentage for the actual cost distribution.

3. Equipment over \$100,000

Please note that pictures shown below are for illustrative purposes only and may not depict the actual equipment to be purchased by IH, which will be established during the procurement process.

a. Operating Rooms #15 & 16 Equipment for Kelowna General Hospital, Kelowna

IH is planning on opening two operating rooms in order to meet the mandated surgical renewal targets from the MoH. These rooms are currently shelled in spaces only and require the necessary equipment to be fully operationalized. This initiative includes the procurement of a number of items such as equipment integration booms, surgical tables and lights, anaesthesia machines and carts, patient monitors as well as a wide range of surgical equipment to prepare these operating rooms for the additional surgeries.



b. Endovascular Treatment Equipment for Kelowna General Hospital, Kelowna

A modern, robotic hybrid angiography suite provides patient care by improving the ability to visualize and treat vascular disease with minimally invasive endovascular techniques. This purchase includes an angiography system and additional equipment necessary to fully equip a new angiography suite and will include required renovations. This purchase is replacing a 2009 system. The Kelowna General Hospital Foundation is contributing \$4,653,000 towards this purchase and associated renovations.



c. Multi-dose Packaging Equipment in Kelowna

Pharmaceutical packaging (or drug packaging) is the packaging of oral tablets and capsules into individual pouches that are labelled with the drug name and strength, bar-coded and may also contain patient-specific identification. This multi-dose packaging machine is specific for the long-term care settings and creates individual patient pouches that contain all of a patient's medication for a single dosing time. This saves nursing time compared to other forms of packaging such as blister cards. This is a new piece of equipment, and pharmacy services in the Central Okanagan will develop plans over the next few months to determine which location will be best suited for it.



d. Ultrasound (x3) and Ultrasound, Cardiac for Kelowna General Hospital, Kelowna

These machines are used in the medical imaging department to generate images of internal soft tissue. By sending and receiving sound waves, the system can generate a quality image of internal organs, fetuses and free fluids such as internal bleeding. This acquisition is replacing machines originally purchased in 2010, 2012 and 2013.



The cardiac ultrasound machine also generates images of the heart and major blood vessels. By sending and receiving sound waves, the system produces quality still images of the heart to examine structure and video clips that show cardiac function. This type of ultrasound study is known as echocardiography. This ultrasound machine will include Cardiac Picture Archiving and Communication System functionality. This purchase is replacing a 2009 machine.

e. Inventory Carousel Upgrade for the Regional Warehouse, Kelowna

A carousel is an automated storage and retrieval device that uses a series of shelving units to rotate along a track to bring warehouse items to an operator. Automated carousel systems provide minimal wait times and high accuracy, allowing orders to be processed in the shortest possible times. This purchase is replacing a 1995 system in logistics.



f. C-Arm with Vascular for Kelowna General Hospital, Kelowna

A C-Arm is a portable x-ray system that can shoot still and continuous (fluoroscopy) images. A C-Arm is shaped like a "C" so that it can be used through an operating room table or stretcher. The system is commonly used in the operating room to ensure that bones are set correctly during surgery. A vascular package improves the performance of the equipment for use during vascular surgery. This purchase is replacing a 2005 machine in the surgical department.



g. Automated Chemistry/Immunochemistry Analyzer System for Kelowna General Hospital, Kelowna

This new automated integrated system will provide rapid, high quality test results for routine chemistry and immunochemistry testing. Better staff efficiency, streamlining processes and upgrading aging equipment will allow us to reduce overall costs while increasing patient safety.



We previously requested funding from your RHD for chemistry analyzers and an integrated system, but since that time we have undertaken an extensive IH-wide assessment and request for proposal from vendors and have decided to purchase this new automated equipment for this facility. Your RHD previously approved 40% funding with bylaws #232 and 244 totalling \$360,000 for the original laboratory equipment, and we wish to apply those funds to this automated system which will better align with the laboratory functions at this site.

h. Holmium Laser for Kelowna General Hospital, Kelowna

This equipment is used for urology surgery and combines cutting, ablation and coagulation properties for precise, virtually bloodless procedures. It is also extremely effective in fragmenting urinary stones in the bladder, ureter and/or kidney of all compositions, making it an ideal multipurpose surgical tool. Because its laser light is transmitted through flexible fibers, it is especially suited for minimally invasive endoscopic and laparoscopic procedures. This purchase is replacing a 2004 model in the surgical department.



4. Equipment under \$100,000 (Global Grant)

We are requesting global funding for equipment that costs between \$5,000 and \$100,000.

A financial summary of our funding requests is provided in Appendix 1. We would appreciate it, if you could submit the requests to your Board for consideration. Please advise us of the meeting date when they will be discussed to enable us to have IH representatives attend and to answer questions that may arise. If the requests should receive approval, please send Birgit Koster copies of the relevant bylaws for our records.

We thank you for your on-going support of our capital initiatives. 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 'Sylvia Weir'.

Sylvia Weir, Chief Financial Officer

Interior Health Authority

/at

Encl. Appendix 1 ~ Summary of Regional Health District Funding Request for 2021/22

cc: Gail Given, Chair, Central Okanagan RHD
Marilyn Rilkoff, Director of Financial Services, Central Okanagan RHD
Jaymi Chernoff, Executive Director, Clinical Operations, KGH/COK
Dan Goughnour, Corporate Director, Business Operations
Scott McGeachy, Chief Project Officer
Birgit Koster, Director Business Support, Capital Planning

Interior Health
Central Okanagan
Summary of Regional Hospital District Funding Request
for 2021/22

Appendix 1

Facility	Location	Equipment/Project Description	Total Budget	RHD Share	Previous RHD Approval		2021/22 Funding Request
					Amount	B/L #	
		<u>Construction Projects over \$100,000</u>					
TBD	Kelowna/Rutland	Primary Care Network	\$ 2,000,000	\$ 800,000			\$ 800,000
TBD	TBD	Outreach Urban Health	1,995,000	798,000			798,000
Kelowna General Hospital	Kelowna	Sprinkler Pipe Replacement	500,000	200,000			200,000
		<u>IH-Wide IMIT</u>					
Regional		Various	3,292,250	1,316,900			1,316,900
		<u>Equipment over \$100,000</u>					
Kelowna General Hospital	Kelowna	Operating Rooms #15 & 16 Equipment	6,900,000	2,760,000			2,760,000
Kelowna General Hospital	Kelowna	Endovascular Treatment Equipment	6,500,000	1,847,000			1,847,000
TBD	Kelowna	Multi-dose Packaging Equipment	815,000	326,000			326,000
Kelowna General Hospital	Kelowna	Ultrasound (x3) and Ultrasound, Cardiac	767,000	306,800			306,800
Regional Warehouse	Kelowna	Inventory Carousel Upgrade	568,000	227,200			227,200
Kelowna General Hospital	Kelowna	C-Arm with Vascular	298,000	119,200			119,200
Kelowna General Hospital	Kelowna	Automated Chemistry/Immunochemistry Analyzer System	1,122,000	448,800	\$ 180,000 180,000	232 244	88,800
Kelowna General Hospital	Kelowna	Holmium Laser	210,000	84,000			84,000
		<u>Equipment under \$100,000 (Global Grant)</u>					
All Facilities		Equipment between \$5,000 and \$100,000	2,530,350	1,012,140			1,012,140
TOTAL			\$ 27,497,600	\$ 10,246,040	\$ 360,000		\$ 9,886,040



Regional Hospital District Board Report

TO: Regional Hospital District Board

FROM: Marilyn Rilkoff
Director of Financial Services

DATE: February 9, 2021

SUBJECT: 2021 – 2025 Central Okanagan Regional Hospital District Financial Plan Draft #1

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

Purpose: To present the draft 2021 – 2025 Central Okanagan Regional Hospital District Financial Plan.

Executive Summary:

The attached draft Regional Hospital District Financial Plan incorporates the previously approved 3% increase per average home in 2021, along with options of a 3.5% and 4% increase for the Board's consideration. The Annual taxes and increases for an average home assessed at \$751,500 (vs. \$734,000 in 2020) under each scenario are in the table below, along with projected reserve balances at the end of 2025.

<u>Alternatives:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Planned 3% Annual Increases per 2020 Financial Plan:					
Annual Tax per average home	\$194.59	\$200.43	\$206.44	\$212.63	\$219.01
Incr. per home over prior year	\$5.66	\$5.84	\$6.01	\$6.19	\$6.38
Residential Tax Rate (cents)	0.2589	0.2667	0.2747	0.2829	0.2914
Reserve Balance					\$33.5m
Alternative A: 3.5% Annual Increases:					
Annual Tax per average home	\$195.54	\$202.39	\$209.47	\$216.80	\$224.39
Incr. per home over prior year	\$6.61	\$6.84	\$7.08	\$7.33	\$7.49
Residential Tax Rate (cents)	0.2602	0.2693	0.2787	0.2885	0.2986
Reserve Balance					\$35m
Alternative B: 4% Annual Increases:					
Annual Tax per average home	\$196.49	\$204.35	\$212.52	\$221.02	\$229.86
Incr. per home over prior year	\$7.56	\$7.86	\$8.17	\$8.50	\$8.84
Residential Tax Rate (cents)	0.2615	0.2719	0.2828	0.2941	0.3059
Reserve Balance					\$36.6m

Based on IHA's letter attached to this report, staff are recommending Alternative B - 4% tax increase in order to continue to build reserves to fund future capital to reduce or eliminate future debt. IHA has indicated that there are likely to be several large projects on the 10-year horizon. Currently, CORHD pays \$3.1 million annually in interest costs alone, (in 2019 it was \$4.5m) and in the future, rather than incurring additional debt, the equivalent interest dollars could be better spent on actual equipment and projects, earning a direct return to the community.

IHA services that leverage the 40 cent dollars provided by the CORHD return significant social and economic benefits in terms of capital investments and operating expenses within the Central Okanagan Region. Associated employment and business investments also result. These are becoming critical elements in our economic recovery from the COVID-19 pandemic.

The more that is put into reserves, the more responsiveness and flexibility the CORHD Board will have.

In 2021, the capital project funding to IHA is \$23.15m which includes \$12.9 million in carryovers from the 2020 Financial Plan. There is an additional \$10.25 million for new projects requested in a letter from IHA, dated December 17, 2020. IHA staff will be present at the Board meeting to answer any Board questions.

In 2021, there will be a large debt refinancing initiative carried out in the fall, which is anticipated to result in a significant debt payment reduction due to lower interest rates. This should then enable increased reserve transfers in 2022, to assist in meeting future IHA requests.

RECOMMENDATION:

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

AND FURTHER THAT the 2021 – 2025 Financial Plan be forwarded to the March 29, 2021 Board Meeting for final adoption with an increase of 4%.

Respectfully Submitted:



Marilyn Rilkoff
Director of Financial Services

Approved for Board's Consideration



Brian Reardon, CAO

Implications of Recommendation:

Financial: See Table in Executive Summary.

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

Background:

The Future:

The Draft CORHD Financial Plan includes three potential tax increase scenarios with increases of – 3%, 3.5% and 4% to the average home for the next 5 years. IHA has indicated that in the next 10 years there will be further large projects coming forward. Recognizing in camera and confidentiality constraints, staff has been working with IHA staff to try to get an idea of long term planning estimates. A ballpark estimate of over \$100 million in additional funding may be required.

Annual Capital Request Process for Budget:

The CORHD typically funds 40% of approved capital requests from IHA. Historical actual spending is illustrated in Appendix B.

- Large Projects: These projects all require Provincial Health Ministry approval, and are also funded by the Ministry. IHA comes to the Board when such a unique project arises, and makes a presentation and formal request. The Board has an opportunity to debate the matter and decides if it wishes to support and approve the project and put it in the next budget.
 - There has been the occasional large project which has been treated uniquely. In these rare situations, the CORHD Board chose to fund certain portions of these projects at 100%.
- Smaller Projects and Equipment: Annually, we receive a new funding request letter in December for funding of equipment and smaller construction projects. IHA staff are experts in the field, and have vetted and narrowed the list to these priorities. This \$4 to \$5 million request includes approximately \$1 million for a global grant for various equipment under \$100,000, and various other projects average \$4 million per year, excluding extraordinary projects. IHA staff attend a Board meeting to address any questions the Board may have regarding the items in the letter. These are included in the draft budget for the Board's approval. Items that were approved in prior years that have not been spent get carried over.

In addition to the budget bylaw, capital spending bylaws are issued for all approved projects as required under the Hospital District Act once the Financial Plan is approved.

CORHD 40 Cent Dollars a huge benefit to Central Okanagan Economy:

CORHD's 40% investment brings a huge return to the Central Okanagan Region.

- For every 40 cents spent, the Province and IHA put in 60 cents to this economy for the capital investment portion of these projects.
- With first class health care, a diverse workforce and their families are attracted to the area.
- With a healthy, vital workforce, businesses are also attracted.
- Ongoing related operating expenditures and employment result.

Regardless of the option chosen, at a cost between \$194.59 to \$196.49 for an average home, the benefits to Central Okanagan residents are immense. This business and employment attraction is even more important in light of the pandemic and rebuilding the Central Okanagan's economy.

Current Debt Payments & the ACC & IHSC Projects History (Appendices A & B):

The first time the Hospital District was asked to assist in a major funding for the substantial replacement of aging facilities, and the construction of new facilities:

- **CORHD funded a total of \$179.8 million** for two projects -- the Ambulatory Care Centre (ACC) and Interior Heart & Surgical Centre (IHSC).
- **\$120 million in debt was incurred from 2010 to 2015**, resulting in current large annual payments of over \$7.3m. (in 2019 Payments were \$8.5 m with \$4.5 m in interest).
- **Even so, CORHD was still able to fund almost \$60 million**, or 33% with cash.

During those years, in order to fund the large multi-million dollar Ambulatory Care Centre and Interior Heart and Surgical Centre Projects, taxes had to be increased.

Then from 2016 – 2019 tax increases on the average home remained at the same level, with 0% increases except for growth contributions. Based on information from IHA, no further large projects were expected or on the horizon at that time.

Strategy:

As mentioned above, current information suggests that larger requests, (while not the same scope as the ACC and IHSC) will now continue occasionally over time. We need to try to ensure the Hospital District is equipped to handle this type of funding.

- Annual 20-year debt payments have been over \$8.5 million. **This has meant over \$4.5 million in interest costs annually** until 2020 refinancing. We would rather not keep incurring debt.
- In the future, it is recommended that we try to get ahead of anticipated requests and continue to **increase and build reserves to see the equivalent portion of the budget**

go directly toward funding equipment and projects, where it can do more good, instead of being paid toward interest costs. (Refer back to the section on the return on 40 cent dollars above...)

- We have been requesting that IHA, (and through them, our Provincial partners) provide us with better long term estimates and information in this area so that CORHD can do longer term financial planning. There has definitely been some good progress made in this area, again, recognizing in camera and confidentiality constraints.

Solution: Setting Aside Reserves:

- As presented originally in the 2016 financial plan, CORHD was to be in a position by 2018 to start setting aside excess funds into unrestricted reserves.
 - That plan became a reality and at the end of 2020, reserves are \$11.6 million.
- The proposed financial plan options continue to set aside funds at varying amounts depending on the tax increase option:

<u>Alternatives:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Planned 3% Annual Increases per 2020 Financial Plan:					
Annual Tax per average home	\$194.59	\$200.43	\$206.44	\$212.63	\$219.01
Reserve Balance					\$33.5m
Alternative A: 3.5% Annual Increases:					
Annual Tax per average home	\$195.54	\$202.39	\$209.47	\$216.80	\$224.39
Reserve Balance					\$35m
Alternative B: 4% Annual Increases:					
Annual Tax per average home	\$196.49	\$204.35	\$212.52	\$221.02	\$229.86
Reserve Balance					\$36.6m

- In 2021, there are larger than normal project requests, and some reserves will be required to assist with current year funding (between \$3,050,852 to \$2,865,852 depending on the option chosen). In 2022 project requests are expected to be in the neighborhood of \$14.2 million. This will also require the use of some reserve funding (between \$1,882,015 to \$1,503,240). In 2023 – 2025 it is hoped that transfers to reserves can resume for the future anticipated requests.

Refinancing Bonus – Additional Capacity to Transfer to Reserves

- In 2020, MFA Debt Issue 110 was refinanced. The interest rate was reduced from 4.5% to 1.28%, **reducing annual payments by a whopping \$1.27 million**, which contributed to financing this year's additional project requests and enabled the transfer to reserves. This rate is now locked in for the remaining 10 years of the debt which expires in 2030.

- In 2021, MFA Debt Issue 117, currently at 3.25%, will be refinanced, likely at a lower interest rate, and the difference in the future debt payment reductions can be transferred to reserves starting in 2022. The above reserve balances would then increase to further close the gap. Please note:
 - These anticipated debt payment reductions have not been reflected in the budget at this time as the amount of the reduction is not known exactly.
 - It should be noted that MFA no longer allows partial repayment of debt on refinancing. The entire amount outstanding must be repaid, so reserves would not be used to pay down some of the existing debt at this time.

The Future Recapped:

IHA has indicated that they are looking at future infrastructure replacement funding and construction, and the reality is that they are likely to continue to come to the Board to request funding assistance. The Board would be in a position to pay a higher portion of the projects with cash and reserves rather than borrowing funds. Indications are that regular annual funding requests will be in the range of \$5 million, PLUS additional special projects anticipated to be over \$100 million over the next 10 years.

As information is received, in future years the Board will be better positioned to respond accordingly.

This continues the Board's strategy to leave a legacy of reducing debt load over the next 15 years, making a difference to the health of the community, and contributes to residual economic benefits by attracting people to live and work in the Central Okanagan.

The 4% increase option has been recommended to set aside as much in reserves as possible and leverage CORHD's 40% capital contributions in the community.

Financial Considerations: As stated in this report.

External Implications: Improved health care infrastructure.

Alternative Recommendation:

AND FURTHER THAT the budget be forwarded to the March 29, 2021 Board Meeting for final adoption with an increase of X%

Considerations not applicable to this report:

- Organizational Issues

Attachment(s):

- Appendix A – ACC & IHSC Debt Information Update
- Appendix B – Historical IHA Project Funding Graphs

(Also in the Budget Binder):

- *Projects Listing - Same for all three options*
- *CORHD 2021 – 2025 Financial Plan Draft #1 and Planned 3% Increase*
- *CORHD 2021 – 2025 Financial Plan Draft #1 Alternative Scenario A - 3.5% Increase*
- *CORHD 2021 – 2025 Financial Plan Draft # 1 Alternative Scenario B – 4% Increase*
- *CORHD - Reconciling 2020 Budget vs. Actual, Cash and Debt Changes*
- *Letter from IHA December 17, 2020: Capital Funding Request for 2021/22 Fiscal Year*
- *2020 – 2024 CORHD Approved Amended Financial Plan for comparative purposes*

APPENDIX A: ACC & IHSC Debt Information Update:**Ambulatory Care Centre (ACC) 2008 - 2012:**

ACC Borrowing Bylaw #112 Amount Approved \$99.357m		
Actual Total Project Cost (CORHD share)	\$99,356,757	
Actual Long Term Borrowing in 2010 & 2011 (20 year amortization, 2020 revised annual pmts \$4.7m, interest rates of 1.28% on \$43.7m (4.5% previously) and 3.25% on \$38.8m) Total Borrowing was 83% of total costs. Paid 17% or \$16,831,350 with cash	82,525,407	
Principal Amount Outstanding Dec. 31, 2020		\$51,108,099

Interior Heart & Surgical Centre (IHSC) 2010 – 2020:

IHSC Borrowing Bylaw #113 Amount \$91.347m		
Actual Total Project Cost (CORHD Share)	\$80,459,562	
Actual Long Term Borrowing in 2013, 2014, & 2015 (20 year amortization, annual pmts \$2.2m, interest rates of 3.25%, 3.3%, 3.85%, 2.75%) Total Borrowing was only 47.11% of total costs, vs 83% above! Paid 52.89% or \$42,549,955 with cash	37,909,607	
Principal Amount Outstanding Dec. 31, 2020		\$28,080,429

Combined Totals:

Total Costs – Both Projects	\$179,816,319	
Total Borrowed 66.98%	\$120,435,014	
Total Outstanding Dec. 31, 2020		\$79,188,528

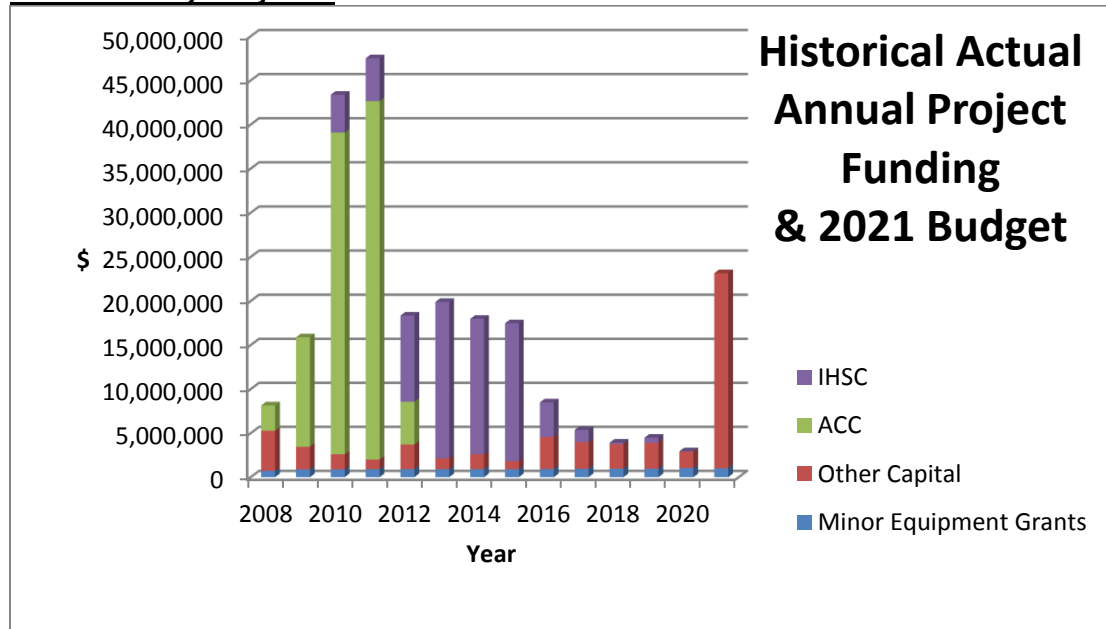
MFA Debt Issue Information:

CORHD Debt Information by Issue							
Issue	Year Borrowed	Original Debt Amount	Renewal Year	Completion Year	Annual Payment As at Jan. 2021	Balance at 2020 Year End	Current Rate
110	2010	43,699,186.99	2020	2030	2,165,806.90	26,080,282.53	1.28
117	2011	8,638,211.38	2021	2031	2,565,704.55	5,568,287.87	3.25
117	2011	38,826,219.51	2021	2031	570,828.12	25,027,816.34	3.25
126	2013	10,071,396.00	2023	2033	725,961.85	7,400,073.48	3.85
127	2014	13,500,000.00	2024	2034	898,853.63	10,492,916.48	3.3
133	2015	5,700,000.00	2025	2035	358,308.14	4,619,151.36	2.75
		120,435,013.88			7,285,463.19	79,188,528.06	

APPENDIX B - Historical Funding Graphs:

Actual historical funding and budgeted 2021 information is provided for reference:

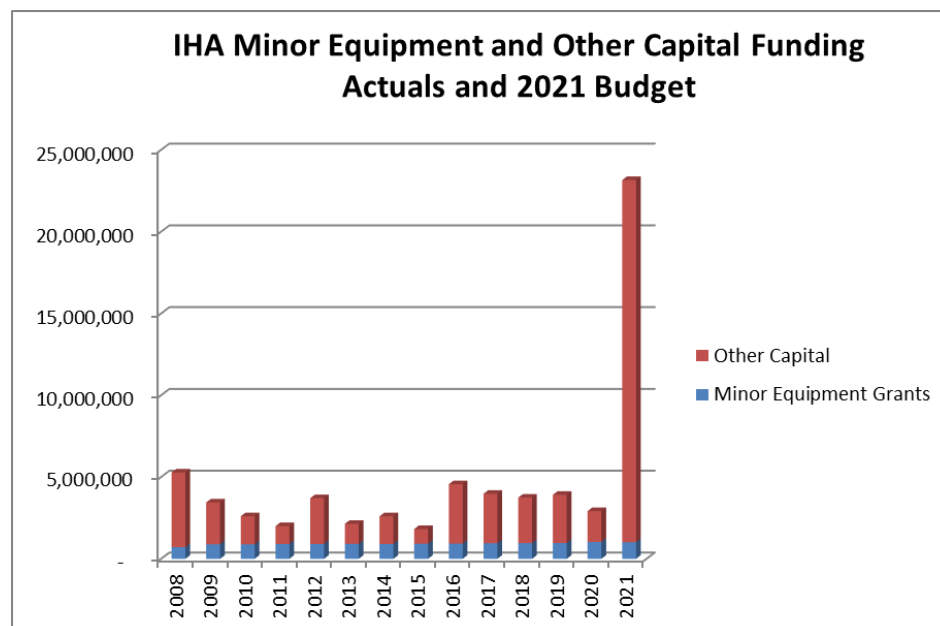
CORHD funding to IHA: Historical Actual Capital Funding from 2007 to 2020 has totaled \$218 million and for 2021, \$23.15 million is Budgeted, including Extraordinary Projects:



Note: 2021 budget includes carry forward of unspent approved project carryovers from prior years.

CORHD funding to IHA: Historical Minor Equipment and Other Capital Funding:

The graph below gives a better sense of “regular” levels of requests contained in IHA’s annual funding letter.



Note: 2021 Budget includes carry forward of unspent approved projects

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

Approved and Planned Capital Expenditures for 2021-2025

COMPLETED ROLL Draft #1

		<i>40 % RHD Share</i>	<i>Outstanding Projects Funding in Prior Years</i>	2021 Funding	2022 Funding	2023 Funding	2024 Funding	2025 Funding
Approved Capital Projects Bylaw								
200	KGH - Medstations, IH-Wide Pyxis Replacement, Ph.2	1,688,400	1,609,404	78,996				
204	Three Links Manor - Generator Replacement	224,400	161,924	62,476				
211	KGH - Surface Parking	540,000	196,508	343,492				
a 213	West Kelowna Health Centre - Leasehold Improvements	300,000		300,000				
214	KGH - 3 West Medical Inpatient Nursing Unit Renovation	100,000	92,556	7,444				
217	Regional IMIT - Various	2,039,600	1,312,376	727,224				
218	Cottonwoods - Vocera Expansion and Integration	72,000	49,579	22,421				
219	Wireless Infrastructure Refresh	39,600	31,310	8,290				
221	Rutland Health Centre - Wireless Infrastructure Expansion	10,000	3,815	6,185				
225	KGH - Surgical Optimization Clinic - Various	1,812,000	1,432,407	379,593				
226	KGH - Boiler Room Upgrade	252,000	-	252,000				
228	Regional - IH-Wide IMIT	991,600	671,648	319,952				
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				
234	KGH - Laboratory Middleware	127,000	-	127,000				
237	Kelowna Urgent Primary Care Centre Capital Tenant Imprvmnts.	789,600	785,946	3,654				
238	Cottonwoods - Septic Drain - Planning & Phase 1	200,000	-	200,000				
239	Regional - IH - Wide IMIT - Various	1,004,800	270,828	733,972				
240	KGH - Unified Communications - Telephony	582,400	-	582,400				
241	KGH - Emergency Department Module (EDM) Implement/Plan	60,000	-	60,000				
242	KGH - Cath Lab	621,600	-	621,600				
243	KGH - Meal Delivery System	598,400	-	598,400				
245	KGH - Digital Video Cameras	130,000	-	130,000				
246	KGH - Blood Culture System	119,000	-	119,000				
247	KGH - Remote Patient Observation System	123,600	-	123,600				
249	KGH - Parkade	4,600,000	-	4,600,000				
250	Long-term Care Business Plan (Replacement of Cottonwoods)	100,000	-	100,000				
251	Kelowna Community Health & Services Centre 5th Floor Completion	120,000	-	120,000				
252	West Kelowna Urgent Primary Care Centre & Primary Care Network	1,200,000	-	1,200,000				
Annual Capital Costs for Current Year Projects		19,525,400	6,618,301	12,907,099	0	0	0	0
New Projects Planned for 2021								
b	TBD - Kelowna/Rutland Primary Care Network	800,000	-	800,000				
b	TBD - Outreach Urban Health	798,000	-	798,000				
	KGH - Sprinkler Pipe Replacement	200,000	-	200,000				
	Various - IH-Wide IMIT	1,316,900	-	1,316,900				
	KGH - Operating Rooms 15 & 16 - Equipment	2,760,000	-	2,760,000				
	KGH - Endovascular Treatment Equipment	1,847,000	-	1,847,000				
b	TBD - Multi - Dose Packaging Equipment	326,000	-	326,000				
	KGH - Ultrasound (x3) and Ultrasound, Cardiac	306,800	-	306,800				
b	Regional Warehouse - Inventory Carousel Upgrade	227,200	-	227,200				
	KGH - C-Arm with Vascular	119,200	-	119,200				
	KGH - Automated Chemistry / Immunochemistry Analyzer System	448,800	-	448,800				
	Note: Bylaws 232 (\$180,000) and 244 (\$180,000) previously approved. Rescind bylaws and issue new bylaw.							
	KGH - Holmium Laser	84,000	-	84,000				
c	Minor Equipment Grant Current Year & Estimated Future Years	1,012,140	-	1,012,140	1,027,322	1,042,732	1,063,587	1,084,858
c	Future Projects estimated				13,200,000	4,060,000	4,120,900	4,182,714
Annual Capital Costs for New Planned Projects		10,246,040	0	10,246,040	14,227,322	5,102,732	5,184,487	5,267,572
TOTAL ANNUAL CAPITAL COSTS		29,771,440	6,618,301	23,153,139	14,227,322	5,102,732	5,184,487	5,267,572

- a Previously approved \$300k for West Kelowna Health Centre Leasehold Improvements. Awaiting clarification from IHA if this is still required in light of WKUPCC Project.
- b These facilities would need to be Designated under the Act by the Minister before an expenditure bylaw could be issued and expenditures made.
- c 2022 includes staff estimates for possible MRI equipment. Future requests over the next 10 years will likely exceed \$150 million in total.

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2021-2025 FINANCIAL PLAN

COMPLETED ROLL Draft #1

Planned 3% Increases

	2021	2022	2023	2024	2025
	\$	\$	\$	\$	\$
REVENUE & FINANCING:					
Tax Requisition					
City of Kelowna	13,485,296	14,028,753	14,594,112	15,182,255	15,794,100
District of Peachland	493,965	513,872	534,581	556,125	578,536
District of Lake Country	1,348,940	1,403,302	1,459,855	1,518,687	1,579,890
City of West Kelowna	2,960,567	3,079,878	3,203,997	3,333,118	3,467,443
Electoral Area Central Okanagan West	350,515	354,021	357,561	361,136	364,748
Electoral Area Central Okanagan East	322,717	325,944	329,203	332,495	335,820
Total Tax Requisition	18,962,000	19,705,770	20,479,309	21,283,816	22,120,537
Net Cash from New Financing	0	0	0	0	0
MFA Actuarial Addition	1,556,461 a	1,773,953 a	1,997,003 a	2,234,554 a	2,478,026 a
Transfer From Reserves	3,050,852	1,882,015	0	0	0
Use of Surplus Cash	8,500,000	0	0	0	0
TOTAL REVENUE	32,069,313	23,361,738	22,476,312	23,518,370	24,598,563
EXPENSES & DEBT PAYMENTS:					
Expenses:					
Administration	40,000	40,500	41,000	41,500	42,000
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	1,556,461 a	1,773,953 a	1,997,003 a	2,234,554 a	2,478,026 a
MFA Debt Repayments Existing	7,285,463 b	7,285,463 c	7,285,463 c	7,285,463 c	7,285,463 c
MFA Debt Repayments New Projects	0	0	0	0	0
Temporary Borrowing Interest	25,000	25,000	25,000	25,000	25,000
Total Expenses & Debt Payments	8,916,174	9,134,416	9,358,241	9,596,567	9,841,664
Expenditure Funding Under Section 20(2)					
IHA Minor Capital Improvements and Equipment Funding:	1,012,140	1,027,322	1,042,732	1,063,587	1,084,858
IHA Capital Projects (Pd with Current Budget Funds)	22,140,999	13,200,000 c	4,060,000 c	4,120,900 c	4,182,714 c
IHA Capital Projects (Pd with New Financing)	0	0	0	0	0
Transfer to Reserves	0	0	8,015,339 c	8,737,317 c	9,489,327 c
Total Capital Projects Section 20(2)	23,153,139	14,227,322	13,118,071	13,921,804	14,756,899
TOTAL EXPENDITURE	32,069,313	23,361,738	22,476,312	23,518,371	24,598,563
Year End Reserve Balance (Unrestricted)	(8,587,899) c	(6,791,763) c	(14,875,020) c	(23,761,087) c	(33,488,025) c

Impact on residential home average assessment \$752,500 in 2021:

% Increase per house	3.00%	3.00%	3.00%	3.00%	3.00%
Annual Tax	194.59 d	200.43	206.44	212.63	219.01
Residential Tax Rate (cents)	0.2589	0.2667	0.2747	0.2829	0.2914
	d,e	d,e	d,e	d,e	d,e
Increase over prior year for average house	5.66 d	5.84	6.01	6.19	6.38

- a. MFA Actuarial Amounts: Actuarial Interest Revenue is offset by an equal reduction to debt.
- b. In 2020 MFA Issue #110 was refinanced resulting in \$1.2m of annual savings. In 2021, this is put toward projects and in the future into reserves.
- c. IHA has indicated that they have ongoing equipment and significant infrastructure replacement needs. Any additional funds are placed in reserves to assist in avoiding additional long term debt in the future.
- d. In 2020, the average equivalent house valued at \$734,000 would have paid \$188.93 at a tax rate of \$0.2574/\$1000 of assessment.
- e. Assumes assessment growth of 1.0%
- f. 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

2021-2025 FINANCIAL PLAN

COMPLETED ROLL Draft #1 Alternative A - 3.5% Increases

	2021	2022	2023	2024	2025
	\$	\$	\$	\$	\$
REVENUE & FINANCING:					
Tax Requisition					
City of Kelowna	13,551,435	14,165,993	14,808,421	15,479,983	16,182,000
District of Peachland	496,388	518,899	542,431	567,030	592,745
District of Lake Country	1,355,555	1,417,030	1,481,292	1,548,469	1,618,692
City of West Kelowna	2,975,088	3,110,008	3,251,047	3,398,482	3,552,603
Electoral Area Central Okanagan West	352,235	355,757	359,315	362,908	366,537
Electoral Area Central Okanagan East	324,299	327,542	330,818	334,126	337,467
Total Tax Requisition	19,055,000	19,895,229	20,773,323	21,690,997	22,650,043
Net Cash from New Financing	0	0	0	0	0
MFA Actuarial Addition	1,556,461 a	1,773,953 a	1,997,003 a	2,234,554 a	2,478,026 a
Transfer From Reserves	2,957,852	1,692,556	0	0	0
Use of Surplus Cash	8,500,000	0	0	0	0
TOTAL REVENUE	32,069,313	23,361,738	22,770,326	23,925,551	25,128,069
EXPENSES & DEBT PAYMENTS:					
Expenses:					
Administration	40,000	40,500	41,000	41,500	42,000
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	1,556,461 a	1,773,953 a	1,997,003 a	2,234,554 a	2,478,026 a
MFA Debt Repayments Existing	7,285,463 b	7,285,463 c	7,285,463 c	7,285,463 c	7,285,463 c
MFA Debt Repayments New Projects	0	0	0	0	0
Temporary Borrowing Interest	25,000	25,000	25,000	25,000	25,000
Total Expenses & Debt Payments	8,916,174	9,134,416	9,358,241	9,596,567	9,841,664
Expenditure Funding Under Section 20(2)					
IHA Minor Capital Improvements and Equipment Funding:	1,012,140	1,027,322	1,042,732	1,063,587	1,084,858
IHA Capital Projects (Pd with Current Budget Funds)	22,140,999	13,200,000 c	4,060,000 c	4,120,900 c	4,182,714 c
IHA Capital Projects (Pd with New Financing)	0	0	0	0	0
Transfer to Reserves	0	0	8,309,353 c	9,144,497 c	10,018,834 c
Total Capital Projects Section 20(2)	23,153,139	14,227,322	13,412,085	14,328,984	15,286,406
TOTAL EXPENDITURE	32,069,313	23,361,738	22,770,326	23,925,551	25,128,070
Year End Reserve Balance (Unrestricted)	(8,680,899) c	(7,075,152) c	(15,455,257) c	(24,754,306) c	(35,020,683) c

Impact on residential home average assessment \$752,500 in 2021:

% Increase per house	3.50%	3.50%	3.50%	3.50%	3.50%
Annual Tax	195.54 d	202.39	209.47	216.80	224.39
Residential Tax Rate (cents)	0.2602	0.2693	0.2787	0.2885	0.2986
	d,e	d,e	d,e	d,e	d,e
Increase over prior year for average house	6.61 d	6.84	7.08	7.33	7.59

- a. MFA Actuarial Amounts: Actuarial Interest Revenue is offset by an equal reduction to debt.
- b. In 2020 MFA Issue #110 was refinanced resulting in \$1.2m of annual savings. In 2021, this is put toward projects and in the future into reserves.
- c. IHA has indicated that they have ongoing equipment and significant infrastructure replacement needs. Any additional funds are placed in reserves to assist in avoiding additional long term debt in the future.
- d. In 2020, the average equivalent house valued at \$734,000 would have paid \$188.93 at a tax rate of \$0.2574/\$1000 of assessment.
- e. Assumes assessment growth of 1.0%
- f. 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

2021-2025 FINANCIAL PLAN

COMPLETED ROLL Draft #1

Alternative B - 4% Increases

	2021	2022	2023	2024	2025
	\$	\$	\$	\$	\$
REVENUE & FINANCING:					
Tax Requisition					
City of Kelowna	13,616,863	14,303,153	15,024,032	15,781,243	16,576,618
District of Peachland	498,784	523,923	550,329	578,066	607,200
District of Lake Country	1,362,100	1,430,750	1,502,860	1,578,604	1,658,166
City of West Kelowna	2,989,452	3,140,120	3,298,382	3,464,620	3,639,237
Electoral Area Central Okanagan West	353,935	357,475	361,049	364,660	368,306
Electoral Area Central Okanagan East	325,865	329,124	332,415	335,739	339,096
Total Tax Requisition	19,147,000	20,084,545	21,069,067	22,102,932	23,188,624
Net Cash from New Financing	0	0	0	0	0
MFA Actuarial Addition	1,556,461 a	1,773,953 a	1,997,003 a	2,234,554 a	2,478,026 a
Transfer From Reserves	2,865,852	1,503,240	0	0	0
Use of Surplus Cash	8,500,000	0	0	0	0
TOTAL REVENUE	32,069,313	23,361,738	23,066,070	24,337,486	25,666,650
EXPENSES & DEBT PAYMENTS:					
Expenses:					
Administration	40,000	40,500	41,000	41,500	42,000
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	1,556,461 a	1,773,953 a	1,997,003 a	2,234,554 a	2,478,026 a
MFA Debt Repayments Existing	7,285,463 b	7,285,463 c	7,285,463 c	7,285,463 c	7,285,463 c
MFA Debt Repayments New Projects	0	0	0	0	0
Temporary Borrowing Interest	25,000	25,000	25,000	25,000	25,000
Total Expenses & Debt Payments	8,916,174	9,134,416	9,358,241	9,596,567	9,841,664
Expenditure Funding Under Section 20(2)					
IHA Minor Capital Improvements and Equipment Funding:	1,012,140	1,027,322	1,042,732	1,063,587	1,084,858
IHA Capital Projects (Pd with Current Budget Funds)	22,140,999	13,200,000 c	4,060,000 c	4,120,900 c	4,182,714 c
IHA Capital Projects (Pd with New Financing)	0	0	0	0	0
Transfer to Reserves	0	0	8,605,097 c	9,556,433 c	10,557,414 c
Total Capital Projects Section 20(2)	23,153,139	14,227,322	13,707,829	14,740,920	15,824,986
TOTAL EXPENDITURE	32,069,313	23,361,738	23,066,070	24,337,487	25,666,650
Year End Reserve Balance (Unrestricted)	(8,772,899) c	(7,357,388) c	(16,036,059) c	(25,752,852) c	(36,567,795) c

Impact on residential home average assessment \$752,500 in 2021:

% Increase per house	4.00%	4.00%	4.00%	4.00%	4.00%
Annual Tax	196.49 d	204.35	212.52	221.02	229.86
Residential Tax Rate (cents)	0.2615	0.2719	0.2828	0.2941	0.3059
	d,e	d,e	d,e	d,e	d,e
Increase over prior year for average house	7.56 d	7.86	8.17	8.50	8.84

- a. MFA Actuarial Amounts: Actuarial Interest Revenue is offset by an equal reduction to debt.
- b. In 2020 MFA Issue #110 was refinanced resulting in \$1.2m of annual savings. In 2021, this is put toward projects and in the future into reserves.
- c. IHA has indicated that they have ongoing equipment and significant infrastructure replacement needs. Any additional funds are placed in reserves to assist in avoiding additional long term debt in the future.
- d. In 2020, the average equivalent house valued at \$734,000 would have paid \$188.93 at a tax rate of \$0.2574/\$1000 of assessment.
- e. Assumes assessment growth of 1.0%
- f. 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

Reconciling 2020 Budget vs Actual

Cash and Debt Changes

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Revised Roll</u>	<u>2019</u> <u>Final Roll Adj.</u>	<u>2020</u> <u>Actual</u>	<u>Budget</u> <u>Variance</u>
REVENUE & FINANCING FOR BUDGET	\$			\$	
Tax Requisition					
City of Kelowna	13,118,976	13,118,976	(2,197)	13,116,779 a	(2,197)
District of Peachland	474,515	474,515	(370)	474,145 a	(370)
District of Lake Country	1,246,397	1,246,397	(1,157)	1,245,240 a	(1,157)
City of West Kelowna	2,814,496	2,814,496	3,258	2,817,754 a	3,258
EA CO West	340,966	340,966	173	341,139 a	173
EA CO East	313,650	313,650	291	313,941 a	291
Total Tax Requisition	18,309,000			18,308,998	(2)
Other					
Grants in Lieu of Taxes	0			59	59
MFA Actuarial Addition	1,426,374			1,426,374	0
Interest	0			212,103 b	212,103
Subtotal	19,735,374	18,309,000	(2)	19,947,534	212,160
Net Cash from New Financing	0			0	0
Proceeds of Sale	0			0	0
Change in MFA Cash Reserves	0			28,745	28,745
Cash Used from Bank Account (Prior Surplus Requisitions) to fund Projects	7,000,000			0 c	(7,000,000)
TOTAL REVENUE	26,735,374			19,976,279	(6,759,095)
EXPENSES & DEBT PAYMENTS					
Expenses:					
Administration	39,500			39,500	0
Audit & Contract Services	9,250			8,950	300
MFA Debt Repayments Existing	8,553,615			7,850,060 d,e	703,555
MFA Actuarial Debt Reduction	1,426,374			1,426,374	0
MFA Debt Repayments New Projects	0			0	0
Temporary Borrowing Interest	25,000			0	25,000
Total Expenses & Debt Payments	10,053,739			9,324,884	728,855
Expenditures Under Section 20(2)					
Minor Capital Improvements and Equipment Purchases (Pd with Cash from Current Budget)	1,030,300			1,030,000 c	300
Capital Projects (Pd with Cash from Current Budget)	9,065,364			1,909,279 c	7,156,085
Capital Projects (Pd with New Financing)	0			0	0
Transfer to Reserves	6,585,971			6,585,971	0
Total Capital Projects Section 20(2)	16,681,635			9,525,250	7,156,385
TOTAL EXPENDITURE	26,735,374			18,850,134	7,885,240
 Additional Surplus Cash	 0			 1,126,145	 (1,126,145)
Transfer to Reserved Funds (Unrestricted)	0			6,585,971	(6,585,971)
Add'l Funds Moved to Bank Account (see below) Difference	0			(7,712,116) c	0
Financing Account Balances:					
	<u>Jan 1, 2020</u>	<u>Cash Used to fund Accrued or Outstanding 2019 Items</u>	<u>Increase</u>	<u>Dec 31, 2020</u>	
Cash Balance	15,809,207	(147,092)	(7,712,116)	23,668,415 c	7,859,208
Note: Dec. 31, balance includes Unrestricted Reserved Funds Dec. 31				11,638,751	
Cash available for general use				12,029,664	
	<u>Jan 1, 2020</u>	<u>MFA Actuarial Adj.</u>	<u>Principal Payments</u>	<u>Dec 31, 2020</u>	
Debt Outstanding (o/s) Balance	84,669,463	(1,426,374)	(4,054,561)	79,188,528 d	(5,480,935)

Notes:

Summary: Because IHA did not yet require funding for \$7.3 million of budgeted projects, the budgeted use of \$7m of on hand cash was not required. With additional surplus cash of \$1.24m and the \$6.5m reserve transfer, and additional \$7.9m of cash was added to the bank balance. The bank balance currently includes Total Reserves of \$11,638,751.

- a Includes adjustment for 2019 Final Roll Adjustments. The final roll is issued almost a year after the budget, and adjustments must be made under legislation in the following year if there is a tax shift of more than \$1000 for any jurisdiction.
- b Interest earned on deposits, reserves, and tax requisitions received in August.
- c Since many projects have not been completed or invoiced by IHA, they will be carried forward to 2021. As a result, cash was not required in 2020. Surplus cash is in the bank. Surplus, non-reserved cash available in the bank account will be re-budgeted for use in 2021.
- d Principal payments of \$4,054,561 are included and reduced the outstanding debt balance in 2020.
- e MFA Issue 110 was refinanced at a lower interest rate part way through 2020 (1.28% vs 4.5%) and reduced interest debt payments by over \$703k for the year. 2021-2029 the total reduction to the annual debt payment will be \$1.268m.

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

December 17, 2020

Dear Mr. Reardon:

RE: CAPITAL FUNDING REQUEST FOR THE 2021/22 FISCAL YEAR

Please find enclosed our annual funding request for Interior Health's (IH) next fiscal year for your approval. It is based on IH's capital budget, which has been approved by our Board. The budget is developed by prioritizing identified capital needs throughout our organization with available funding sources while considering IH's and government strategies. Provincially, there is still a strong focus on Primary & Community Care Transformation, which has been reflected in the budget with the inclusion of several Urgent and Primary Care Centres, Primary Care Networks and Community Health Centre.

In addition, there are continued efforts to improve senior's care, the urgency of which the pandemic has only highlighted. IH is planning to build several new long-term care facilities over the next few years across our region. The pandemic also has had an impact on surgical services, which is reflected in the budget with the acquisition of pertinent instrumentation for our operating rooms.

The bulk of the capital budget, however, is focused on infrastructure investments that aim at maintaining the basic services at our sites, whether it be on the facility side, equipment replacement or information technology maintenance and expansion.

Please note that all capital initiatives over \$100,000 are subject to government approval. To aid you with your planning efforts, we will be providing you with information regarding notional government funding, a high level estimate of the three year funding requirement and a listing of IH's major prioritized items under separate cover.

For the 2021/22 fiscal year we are requesting funding for the following projects and equipment:

1. Construction Projects over \$100,000

a. Primary Care Network in Kelowna and Rutland

The Kelowna and Rutland Primary Care Networks (PCN) are consistent with the strategic direction of both IH and the Ministry of Health (MoH) and supports a team-based primary care model. The PCNs are a partnership effort between IH, Aboriginal, and Divisions of Family Practice partners. The focus of the PCNs is to improve access and attachment to primary care physicians and nurse practitioners for all people living in Kelowna, Rutland, and Lake Country.

b. Outreach Urban Health (OUH)

This project seeks to relocate OUH to a nearby location that provides a larger space more suited to serving patients and clients safely and indoors. The leased site requires renovations and site improvements to be operational. Mental Health & Substance Use services available include injectable Opioid Agonist

Treatment, Assertive Community Treatment Team, and the Crisis Response Team. Budget of this project includes tenant improvements, information technology drops, furniture and fixtures.

c. Sprinkler Pipe Replacement at Kelowna General Hospital, Kelowna

The fire sprinkler piping in the Royal Building has been subject to electrolysis, resulting in pin holes if not replaced. There is potential for a major rupture which could cause extreme damage to hospital equipment and infrastructure. This project will address ongoing operational impacts in dealing with leaks and will complete the fire sprinkler piping replacement on the main floor in this building.

d. Parking Initiative at Kelowna General Hospital, Kelowna

On February 19, 2020 IH sent your Regional Hospital District (RHD) a funding request letter for construction of an additional parkade at Kelowna General Hospital for the 2021/22 budget year. Thank you for passing bylaw #249 for 23% of \$20M in the amount of \$4.6M. IH is not requesting any additional funding for this project but wishes to inform you of a change in scope. Planning has now taken place and has lead us to a different approach to address parking challenges. Rather than building a single parkade we have determined that the preferred solution is to acquire land with close adjacency to the Kelowna General Hospital campus and to develop surface parking lots on those properties.

2. IH-Wide Information Technology (IMIT)

The ongoing advancement of the IH digital platform is a key enabler of IH's ability to support health service operations, enable key strategies, improve quality and patient safety, and incorporate innovation to improve effectiveness and efficiency. This year's IMIT strategy builds on prior year investments with ongoing improvements in the communication and exchange of critical patient clinical documentation to both patients and their health care providers. In addition this year's request includes improved functionality for diagnostic tests vital for quality patient care.

This IMIT project is an IH-wide initiative costing approximately \$12.5 million. The project's benefits are distributed equally across IH regions; therefore the cost allocation to each of the RHDs is based upon population data using the PEOPLE 2020, BC Statistics. The Central Okanagan RHD's percentage ratio is approximately 26%. Claims on this project will be calculated using this percentage for the actual cost distribution.

3. Equipment over \$100,000

Please note that pictures shown below are for illustrative purposes only and may not depict the actual equipment to be purchased by IH, which will be established during the procurement process.

a. Operating Rooms #15 & 16 Equipment for Kelowna General Hospital, Kelowna

IH is planning on opening two operating rooms in order to meet the mandated surgical renewal targets from the MoH. These rooms are currently shelled in spaces only and require the necessary equipment to be fully operationalized. This initiative includes the procurement of a number of items such as equipment integration booms, surgical tables and lights, anaesthesia machines and carts, patient monitors as well as a wide range of surgical equipment to prepare these operating rooms for the additional surgeries.



b. Endovascular Treatment Equipment for Kelowna General Hospital, Kelowna

A modern, robotic hybrid angiography suite provides patient care by improving the ability to visualize and treat vascular disease with minimally invasive endovascular techniques. This purchase includes an angiography system and additional equipment necessary to fully equip a new angiography suite and will include required renovations. This purchase is replacing a 2009 system. The Kelowna General Hospital Foundation is contributing \$4,653,000 towards this purchase and associated renovations.



c. Multi-dose Packaging Equipment in Kelowna

Pharmaceutical packaging (or drug packaging) is the packaging of oral tablets and capsules into individual pouches that are labelled with the drug name and strength, bar-coded and may also contain patient-specific identification. This multi-dose packaging machine is specific for the long-term care settings and creates individual patient pouches that contain all of a patient's medication for a single dosing time. This saves nursing time compared to other forms of packaging such as blister cards. This is a new piece of equipment, and pharmacy services in the Central Okanagan will develop plans over the next few months to determine which location will be best suited for it.



d. Ultrasound (x3) and Ultrasound, Cardiac for Kelowna General Hospital, Kelowna

These machines are used in the medical imaging department to generate images of internal soft tissue. By sending and receiving sound waves, the system can generate a quality image of internal organs, fetuses and free fluids such as internal bleeding. This acquisition is replacing machines originally purchased in 2010, 2012 and 2013.



The cardiac ultrasound machine also generates images of the heart and major blood vessels. By sending and receiving sound waves, the system produces quality still images of the heart to examine structure and video clips that show cardiac function. This type of ultrasound study is known as echocardiography. This ultrasound machine will include Cardiac Picture Archiving and Communication System functionality. This purchase is replacing a 2009 machine.

e. Inventory Carousel Upgrade for the Regional Warehouse, Kelowna

A carousel is an automated storage and retrieval device that uses a series of shelving units to rotate along a track to bring warehouse items to an operator. Automated carousel systems provide minimal wait times and high accuracy, allowing orders to be processed in the shortest possible times. This purchase is replacing a 1995 system in logistics.



f. C-Arm with Vascular for Kelowna General Hospital, Kelowna

A C-Arm is a portable x-ray system that can shoot still and continuous (fluoroscopy) images. A C-Arm is shaped like a "C" so that it can be used through an operating room table or stretcher. The system is commonly used in the operating room to ensure that bones are set correctly during surgery. A vascular package improves the performance of the equipment for use during vascular surgery. This purchase is replacing a 2005 machine in the surgical department.



g. Automated Chemistry/Immunochemistry Analyzer System for Kelowna General Hospital, Kelowna

This new automated integrated system will provide rapid, high quality test results for routine chemistry and immunochemistry testing. Better staff efficiency, streamlining processes and upgrading aging equipment will allow us to reduce overall costs while increasing patient safety.



We previously requested funding from your RHD for chemistry analyzers and an integrated system, but since that time we have undertaken an extensive IH-wide assessment and request for proposal from vendors and have decided to purchase this new automated equipment for this facility. Your RHD previously approved 40% funding with bylaws #232 and 244 totalling \$360,000 for the original laboratory equipment, and we wish to apply those funds to this automated system which will better align with the laboratory functions at this site.

h. Holmium Laser for Kelowna General Hospital, Kelowna

This equipment is used for urology surgery and combines cutting, ablation and coagulation properties for precise, virtually bloodless procedures. It is also extremely effective in fragmenting urinary stones in the bladder, ureter and/or kidney of all compositions, making it an ideal multipurpose surgical tool. Because its laser light is transmitted through flexible fibers, it is especially suited for minimally invasive endoscopic and laparoscopic procedures. This purchase is replacing a 2004 model in the surgical department.



4. Equipment under \$100,000 (Global Grant)

We are requesting global funding for equipment that costs between \$5,000 and \$100,000.

A financial summary of our funding requests is provided in Appendix 1. We would appreciate it, if you could submit the requests to your Board for consideration. Please advise us of the meeting date when they will be discussed to enable us to have IH representatives attend and to answer questions that may arise. If the requests should receive approval, please send Birgit Koster copies of the relevant bylaws for our records.

We thank you for your on-going support of our capital initiatives. If you require further information, or if you have any questions or concerns, please contact Dan Goughnour or me directly.

Sincerely,



Sylvia Weir, Chief Financial Officer

Interior Health Authority

/at

Encl. Appendix 1 ~ Summary of Regional Health District Funding Request for 2021/22

cc: Gail Given, Chair, Central Okanagan RHD
Marilyn Rilkoff, Director of Financial Services, Central Okanagan RHD
Jaymi Chernoff, Executive Director, Clinical Operations, KGH/COK
Dan Goughnour, Corporate Director, Business Operations
Scott McGeachy, Chief Project Officer
Birgit Koster, Director Business Support, Capital Planning

Interior Health
Central Okanagan
Summary of Regional Hospital District Funding Request
for 2021/22

Appendix 1

Facility	Location	Equipment/Project Description	Total Budget	RHD Share	Previous RHD Approval		2021/22 Funding Request
					Amount	B/L #	
		<u>Construction Projects over \$100,000</u>					
TBD	Kelowna/Rutland	Primary Care Network	\$ 2,000,000	\$ 800,000			\$ 800,000
TBD	TBD	Outreach Urban Health	1,995,000	798,000			798,000
Kelowna General Hospital	Kelowna	Sprinkler Pipe Replacement	500,000	200,000			200,000
		<u>IH-Wide IMIT</u>					
Regional		Various	3,292,250	1,316,900			1,316,900
		<u>Equipment over \$100,000</u>					
Kelowna General Hospital	Kelowna	Operating Rooms #15 & 16 Equipment	6,900,000	2,760,000			2,760,000
Kelowna General Hospital	Kelowna	Endovascular Treatment Equipment	6,500,000	1,847,000			1,847,000
TBD	Kelowna	Multi-dose Packaging Equipment	815,000	326,000			326,000
Kelowna General Hospital	Kelowna	Ultrasound (x3) and Ultrasound, Cardiac	767,000	306,800			306,800
Regional Warehouse	Kelowna	Inventory Carousel Upgrade	568,000	227,200			227,200
Kelowna General Hospital	Kelowna	C-Arm with Vascular	298,000	119,200			119,200
Kelowna General Hospital	Kelowna	Automated Chemistry/Immunochemistry Analyzer System	1,122,000	448,800	\$ 180,000 180,000	232 244	88,800
Kelowna General Hospital	Kelowna	Holmium Laser	210,000	84,000			84,000
		<u>Equipment under \$100,000 (Global Grant)</u>					
All Facilities		Equipment between \$5,000 and \$100,000	2,530,350	1,012,140			1,012,140
TOTAL			\$ 27,497,600	\$ 10,246,040	\$ 360,000		\$ 9,886,040

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2020-2024 FINANCIAL PLAN

REVISED ROLL Mar 23

Oct 8, 2020 Amendment

	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
REVENUE & FINANCING:					
Tax Requisition					
City of Kelowna	13,118,976	13,647,015	14,196,307	14,767,709	15,362,109
District of Peachland	474,515	493,615	513,483	534,150	555,650
District of Lake Country	1,246,397	1,296,564	1,348,751	1,403,038	1,459,510
City of West Kelowna	2,814,496	2,927,780	3,045,623	3,168,209	3,295,729
Electoral Area Central Okanagan West	340,966	344,376	347,820	351,298	354,811
Electoral Area Central Okanagan East	313,650	316,786	319,954	323,154	326,385
Total Tax Requisition	18,309,000	19,026,135	19,771,937	20,547,557	21,354,194
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	8,286,180 a,h	0	0	0
Use of Surplus Cash	7,000,000	0	0	0	0
TOTAL REVENUE	26,735,374	28,956,870	21,643,066	22,654,568	23,706,386
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)	9,065,364 f,h	17,638,446 a,f,h	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	6,585,971 d, h	0	6,143,047 d	6,837,585 d	7,560,979 d
Total Capital Projects Section 20(2)	16,681,635	18,684,200	11,143,047	11,917,892	12,722,904
TOTAL EXPENDITURE	26,735,374	28,956,870	21,643,066	22,654,568	23,706,386
Year End Reserve Balance (Unrestricted)	(11,571,858) d,h	(3,401,397) d,h	(9,578,458) dh	(16,511,827) dh	(24,237,924) dh

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

% Increase per house	3.10%	3.00%	3.00%	3.00%	3.00%
Annual Tax	189.03	194.69	200.52	206.53	212.72
Residential Tax Rate (cents)	0.2574	0.2651	0.2730	0.2812	0.2896
	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.

h. October 2020 Mid - Cycle Request Amendment: Three projects added for 2020 and cash flow requirements for five approved projects with capital bylaws have been moved to 2021. Affects how reserves are used.

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

Approved and Planned Capital Expenditures for 2020-2024

REVISED ROLL Mar 23

Oct 8, 2020 Amendment

		<i>Outstanding Projects</i>						
		<i>40 % RHD Share</i>	<i>Funding in Prior Years</i>	<i>2020 Funding</i>	<i>2021 Funding</i>	<i>2022 Funding</i>	<i>2023 Funding</i>	<i>2024 Funding</i>
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				
e	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				
d	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				
d	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 Imprvmnts.	789,600	473,603	315,997				
Annual Capital Costs for Current Year Projects		96,439,420	79,820,385	5,245,564	564,200	0	0	0
New Projects Planned for 2020								
	238 Cottonwoods - Septic Drain - Planning & Phase 1	200,000		200,000				
	239 Regional - IH - Wide IMIT - Various	1,004,800		1,004,800				
	240 KGH - Unified Communications - Telephony	582,400		582,400				
	241 KGH - Emergency Department Module (EDM) Implement/Plan	60,000		60,000				
d	242 KGH - Cath Lab	621,600		-	621,600			
d	243 KGH - Meal Delivery System	598,400		-	598,400			
	244 KGH - Integrated Chemistry / Immunochemistry Analyzer	180,000		180,000				
	245 KGH - Digital Video Cameras	130,000		130,000				
	246 KGH - Blood Culture System	119,000		119,000				
	247 KGH - Remote Patient Observation System	123,600		123,600				
	248 Minor Equipment Grant Estimate Future Years			1,030,300	1,045,755	1,061,441	1,082,670	1,104,323
	249 KGH Parkade (approved in advance)				4,600,000			
d	250 Long-term Care Business Plan (Replacement of Cottonwoods)			100,000				
d	251 Kelowna Community Health & Services Centre 5th Floor Completion			120,000				
d	- West Kelowna Urgent Primary Care Centre			1,200,000				
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	4,850,100	18,120,000	5,000,000	5,080,307	5,161,925
TOTAL ANNUAL CAPITAL COSTS		100,059,220	79,820,385	10,095,664	18,684,200	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.
- d. October 2020 Mid - Cycle Request Amendment: Three projects added for 2020 and cash flow requirements for five approved projects with capital bylaws have been moved to 2021.
- e. Previously approved \$300k for West Kelowna Health Centre Leasehold Improvements. Awaiting clarification from IHA if this is still required in light of WKUPCC Project.