

Central Okanagan Regional Hospital District

Draft 2023 – 2027 Five-Year Financial Plan

Presented March 16, 2023

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Purpose

- To present the Central Okanagan Regional Hospital District's (CORHD) draft 2023 – 2027 Five-Year Financial Plan for review.



Overview



Legislative
requirement



Capital
Funding
Requests



Assessment
values

Expenditures Summary

Operating

- Operating \$0.06M
- Debt \$6.60M
- Transfers \$4.60M

Capital

- Carryforward \$27.6M
- New \$ 9.1M

Expenditures

	2022			2023	2023 - 2022 Change	
	Budget	Actual	Variance	Budget	\$	%
OPERATING EXPENSES						
Debt Servicing	\$ 6,591,534	\$ 6,591,534	\$ -	\$ 6,591,534	\$ -	0.0%
Administration	41,000	41,000	-	42,000	1,000	2.4%
Audit & Contract Services	9,555	11,231	(1,676)	11,500	1,945	20.4%
Board remuneration	-	-	-	7,000	7,000	100.0%
	6,642,089	6,643,765	(1,676)	6,652,034	9,945	0.1%
Transfer to Reserve	-	-	-	4,587,819	4,587,819	100.0%
TOTAL OPERATING EXPENDITURES	6,642,089	6,643,765	(1,676)	11,239,852	4,597,764	69.2%
CAPITAL PROJECT EXPENDITURES						
Carry Forward Projects	\$ 14,627,252	\$ 3,289,213	\$ 11,338,039	\$ 30,782,249	\$ 16,154,997	110.4%
New Projects	18,026,300	1,181,000	16,845,300	5,922,200	(12,104,100)	-67.1%
Total Capital Expenditures	32,653,552	4,470,213	28,183,339	36,704,449	4,050,897	12.4%
TOTAL CAPITAL AND OPERATING EXPENDITURES	\$ 39,295,641	\$ 11,113,978	\$ 28,181,663	\$ 47,944,302	\$ 8,648,661	22.0%

Revenue Summary

Tax Requisition

- Total \$20.3M
- Increase 3.0%

Other Funding

- Reserves \$ 8.9M
- Surplus \$18.8M

Revenues

	2022			2023	2023 - 2022 Change	
	Budget	Actual	Variance	Budget	\$	%
REVENUE						
Tax Requisition:						
City of Kelowna	\$ 13,867,985	\$ 13,870,275	\$(2,290)	\$ 14,391,091	\$ 523,106	3.8%
District of Peachland	539,389	538,523	866	533,098	(6,291)	-1.2%
District of Lake Country	1,434,022	1,431,032	2,990	1,426,654	(7,367)	-0.5%
City of West Kelowna	3,152,791	3,159,194	(6,403)	3,235,163	82,373	2.6%
Electoral Area Central Okanagan West	380,675	378,143	2,532	389,195	8,520	2.2%
Electoral Area Central Okanagan East	346,549	344,244	2,305	337,850	(8,698)	-2.5%
Total Requisition	19,721,410	19,721,411	(1)	20,313,052	591,642	3.0%
<i>% Requisition change over prior year</i>						
Reserve/Surplus Funding:						
Transfer from Reserves	11,535,782	-	11,535,782	8,881,667	- 2,654,115	-23.0%
Surplus	8,038,449	-	8,038,449	18,749,582	10,711,134	133.2%
Total Reserve/Surplus Funding	19,574,231	-	19,574,231	27,631,249	8,057,019	
TOTAL REVENUE	\$ 39,295,641	\$ 19,721,411	\$ 19,574,230	\$ 47,944,302	\$ 8,648,661	22.0%

Capital Projects

Description	2023 Draft Plan	2022 Plan	\$ Change	% Change
Previously approved projects	\$ 27,631,249	\$ 14,627,252	\$ 13,003,997	88.9%
Additions to previously approved projects	3,151,000	-	3,151,000	100.0%
Construction projects over \$100K	2,257,000	2,541,600	(284,600)	(11.2%)
Construction Projects under \$100,000	-	56,000	(56,000)	(100.0%)
Property Acquisitions	440,000	-	440,000	100.0%
IH-wide Digital Health	1,486,600	-	1,486,600	100.0%
Digital Health under \$100K	48,000	1,032,000	(984,000)	(95.3%)
Equipment over \$100K	674,400	13,215,700	(12,541,300)	(94.9%)
Equipment under \$100K	1,016,200	1,181,000	(164,800)	(14.0%)
Total	\$ 36,704,449	\$ 32,653,552	\$ 4,215,697	12.9%

Capital Reserves

Tax Increase	Indicator	2023	2024	2025	2026	2027
3.00%	Annual cost per avg home	\$ 18.72	\$ 19.28	\$ 19.86	\$ 20.46	\$ 21.07
	Increase/(decrease) over prior year	\$ (2.35)	\$ 0.56	\$ 0.58	\$ 0.60	\$ 0.61
	Reserve balance	\$ 8,111,164	\$ 12,623,539	\$ 17,897,581	\$ 23,974,964	\$ 30,899,174
3.50%	Annual cost per avg home	\$ 18.81	\$ 19.47	\$ 20.15	\$ 20.86	\$ 21.59
	Increase/(decrease) over prior year	\$ (2.26)	\$ 0.66	\$ 0.68	\$ 0.71	\$ 0.73
	Reserve balance	\$ 8,209,771	\$ 12,827,163	\$ 18,212,944	\$ 24,409,115	\$ 31,459,503
4.00%	Annual cost per avg home	\$ 18.90	\$ 19.66	\$ 20.45	\$ 21.26	\$ 22.11
	Increase/(decrease) over prior year	\$ (2.17)	\$ 0.76	\$ 0.79	\$ 0.82	\$ 0.85
	Reserve balance	\$ 8,308,378	\$ 13,031,772	\$ 18,531,368	\$ 24,849,603	\$ 32,030,765
4.50%	Annual cost per avg home	\$ 18.99	\$ 19.85	\$ 20.74	\$ 21.68	\$ 22.65
	Increase/(decrease) over prior year	\$ (2.08)	\$ 0.85	\$ 0.89	\$ 0.93	\$ 0.98
	Reserve balance	\$ 8,406,985	\$ 13,237,368	\$ 18,852,869	\$ 25,296,491	\$ 32,613,119
5.00%	Annual cost per avg home	\$ 19.09	\$ 20.04	\$ 21.04	\$ 22.09	\$ 23.20
	Increase/(decrease) over prior year	\$ (1.98)	\$ 0.95	\$ 1.00	\$ 1.05	\$ 1.10
	Reserve balance	\$ 8,505,592	\$ 13,443,950	\$ 19,177,461	\$ 25,749,840	\$ 33,206,726

Questions



Recommendation

All Directors – Weighted Vote – Majority (HDA s.9, LGA s.196, s.210)

THAT the Regional Hospital District Board receives the draft Central Okanagan Regional Hospital District 2023-2027 Five Year Financial Plan from the Director of Financial Services, dated March 16, 2023, for information;

AND THAT the Regional Hospital District Board approve in principle the draft Central Okanagan Regional Hospital District 2023-2027 Five Year Financial Plan;

AND FURTHER THAT Regional Hospital District Board direct staff to prepare the 2023-2027 Five Year Financial Plan bylaw based on the approved 2023-2027 Five Year Financial Plan.