

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2019-2023 FINANCIAL PLAN

Completed Roll - Draft #2

	2019	2020	2021	2022	2023
	\$	\$	\$	\$	\$
REVENUE & FINANCING:					
Tax Requisition					
City of Kelowna	12,113,454	12,234,439	12,356,784	12,480,351	12,605,155
District of Peachland	452,593	457,113	461,684	466,301	470,964
District of Lake Country	1,150,808	1,162,302	1,173,925	1,185,664	1,197,521
City of West Kelowna	2,659,395	2,685,956	2,712,815	2,739,943	2,767,343
Electoral Area Central Okanagan West	321,783	325,001	328,251	331,533	334,849
Electoral Area Central Okanagan East	292,167	295,089	298,040	301,020	304,031
Total Tax Requisition	16,990,200	17,159,900	17,331,499	17,504,814	17,679,862
Net Cash from New Financing	0 a	0	0	0	0
MFA Actuarial Addition	1,216,643 c	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c
Use of Surplus Cash	6,145,057	0	0	0	0
TOTAL REVENUE	24,351,900	18,586,274	18,976,054	19,375,943	19,786,873
EXPENSES & DEBT PAYMENTS:					
Expenses:					
Administration	38,500	39,000	39,500	40,000	40,500
Audit & Contract Services	9,000	9,250	9,500	9,775	10,050
Principal Debt Reduction re: MFA Actuarial Addition	1,216,643 c	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c
MFA Debt Repayments Existing	8,553,615	8,553,615	8,553,615	8,553,615	8,553,615
MFA Debt Repayments New Projects	0 a	0 a	0 a	0 a	0 a
Temporary Borrowing Interest	50,000	25,000	25,000	25,000	25,000
Total Expenses & Debt Payments	9,867,758	10,053,239	10,272,170	10,499,519	10,736,176
Expenditure Funding Under Section 20(2)					
IHA Minor Capital Improvements and					
Equipment Funding:	965,300	979,780	994,476	1,014,366	1,034,653
IHA Capital Projects (Pd with Current Budget Funds)	10,420,808 f	3,220,000 f	3,268,300 f	3,317,325	3,367,084
IHA Capital Projects (Pd with New Financing)	0 a	0	0	0	0
Transfer to Reserves	3,098,034 d	4,333,255 d	4,441,108 d	4,544,734 d	4,648,960 d
Total Capital Projects Section 20(2)	14,484,142	8,533,035	8,703,884	8,876,424	9,050,697
TOTAL EXPENDITURE	24,351,900	18,586,274	18,976,054	19,375,943	19,786,873
Year End Reserve Balance (Unrestricted)	(5,550,387) d	(10,161,161) d	(15,110,327) d	(19,957,268) d	(25,005,373) d

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

% Increase per house	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Tax	183.02	183.02	183.02	183.02	183.02
Residential Tax Rate (cents)	0.2477	0.2477	0.2477	0.2477	0.2477
	b	b	b	b	b,d

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

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

Approved and Planned Capital Expenditures for 2019-2023

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

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