



Regional Hospital District Board Report

TO: Regional Hospital District Board

FROM: Brian Reardon
Chief Administrative Officer

DATE: March 13, 2019

SUBJECT: 2019-2023 Financial Plan Temporary Borrowing Resolution

Voting Entitlement: All Directors – Weighted Corporate Vote – LGA 210.1

Purpose: To enable temporary borrowing, if necessary, while awaiting receipt of tax requisition payments at the beginning of August.

Executive Summary:

Although rarely used, authorizing temporary borrowing is a prudent financial practice used to ensure funds are available for necessary operating expenditures that are incurred prior to August 1st of each year which is when the Regional Hospital District receives its requisition revenue from the Province.

Pursuant to Section 31 of the *Hospital District Act*, the board may, by resolution, either before or after the preparation of its annual budget, borrow for purposes other than capital expenditures, by way of temporary loan, sums the board may deem necessary to meet the current operating expenditures of the board for the year, including the amounts required for principal and interest falling due within the year on any debt of the board, but all money so borrowed must be repaid within 9 months of the date of the borrowing.

In 2019 the Central Okanagan Regional Hospital District will incur an estimated \$16,500,000 in debt retirement, bank interest charges, and capital expenditures. Staff recommends the Board approve temporary borrowing in the same amount.

RECOMMENDATION:

THAT pursuant to Section 31 of the *Hospital District Act*, the Board may by resolution, borrow for purposes other than capital expenditures by way of temporary loan such sums as the Board may deem necessary to meet current operating expenditures for the year, including the amounts required for principal and interest falling with the year upon any debt of the Board;

AND WHEREAS pursuant to Section 25 of the *Act*, member municipalities and the Province are not required to make payment from taxation revenues of amounts requisitioned by a Regional Hospital District until August 1st of each year;

AND WHEREAS estimated debt retirement, bank interest charges, and current capital expenditures in the amount of \$16,500,000 must be repaid within 9 months of the date of the borrowing;

NOW THEREFORE BE IT RESOLVED that, the Board of the Central Okanagan Regional Hospital District borrow, pursuant to Section 31 of the *Hospital District Act*, a sum or sums of money, the outstanding total of which shall not exceed \$16,500,000 at any one time for the purpose of paying the above mentioned debt retirement, bank interest charges, current capital expenditures.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "Brian Reardon". The signature is fluid and cursive, with the first name "Brian" and last name "Reardon" clearly distinguishable.

Brian Reardon
Chief Administrative Officer