



Regional Hospital District Board Report

TO: Regional Hospital District Board

FROM: Marilyn Rilkoff
Director of Financial Services

DATE: October 1, 2019

SUBJECT: IHA Mid-Cycle Funding Request and Financial Plan Amendments

Purpose: To consider a request received from IHA to fund 40% of the Kelowna Urgent Primary Care Centre, financial plan amendments, and a related capital bylaw.

Executive Summary:

Interior Health Authority is requesting that CORHD fund 40%, or \$789,600 of the Kelowna Urgent Primary Care Centre Capital Tenant Improvements costing \$1.974 million. If the Board is in favour of providing this funding, the budget amendment bylaw and capital bylaw on the agenda would require approval.

The funding for this project could be provided in 2019 by reducing the amount that was to be transferred to reserves. For 2019, amendments can also be made to several projects that were previously approved. IHA has indicated that these projects have been completed, and some have come in under budget by a total of \$164,514. The net reduction to the reserve transfer would then be \$625,086.

It should be noted that the new Centre does not yet have Designated Facility Status by the Minister under the Hospital Act. This is a requirement for RHD funding under the *Hospital District Act*. IHA does not anticipate that this will be a problem.

RECOMMENDATIONS:

THAT Central Okanagan Regional Hospital District 2019 – 2023 Financial Plan Amendment Bylaw No. 2-2019 be given 1st, 2nd, and 3rd readings and adopted.

AND THAT the Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 237 be given 1st, 2nd, and 3rd readings and adopted.

AND FURTHER THAT the Regional Hospital Board approves funding and capital bylaw approvals subject to the projects and/or facilities qualifying as designated facilities pursuant to the *Hospital District Act*.

Respectfully Submitted:

Handwritten signature of Marilyn Rilkoff in black ink.

Marilyn Rilkoff,
Director of Financial Services

Approved for Hospital Board Consideration

Handwritten signature of Brian Reardon in black ink.

Brian Reardon, CAO

Implications of Recommendation:

General: Anticipated improvements to the delivery of emergency care in the Central Okanagan and KGH Emergency Room.

Financial: Funding for this project could come from the amount formerly designated to go into reserves.

Legal/Statutory Authority: *Hospital District Act*
Central Okanagan Regional Hospital District Bylaw No. 1-2019
Hospital Act

Background:

Interior Health Authority is requesting that CORHD fund 40% of the Kelowna Urgent Primary Care Centre Capital Tenant Improvements. The total cost of the improvements is \$1.974 million, and the CORHD's share would be \$789,600.

If the Board is in favour of providing this funding, the budget amendment bylaw and capital bylaw attached to this report would require approval. The funding for this project could be provided in 2019 by reducing the amount that was to be transferred to reserves. The reserves are being set aside for future funding strategies which could include either debt reduction or future funding requests, at the Board's discretion.

For 2019, amendments can also be made to several projects that were previously approved. IHA has indicated that these projects have been completed, and some have come in under budget by a total of \$164,514. The net reduction to the reserve transfer would then be \$625,086.

Bylaw Number		Bylaw Amount	Previously Spent	2019		Under Budget
				Revised Add'l Amt	Total	
	<u>Closed Projects</u>					
175	Cottonwoods - Building Mngt System Replacement	240,000	163,256	24,438	187,694	(52,306)
185	KGH - Medstations, IH-Wide Infrastructure	55,600	54,906	-	54,906	(694)
188	CHSC Kelowna - Digital Wayfinding & Room Signage	90,000	81,329	-	81,329	(8,671)
190	KGH - MRI/DI Sprinkler Piping Replacement	72,000	68,580	-	68,580	(3,420)
196	KGH - IMIT - Vocera	80,000	74,083	-	74,083	(5,917)
198	KGH - Wireless Infrastructure Refresh	12,000	6,835	-	6,835	(5,165)
199	KGH - Telehealth Infrastructure Refresh	11,000	6,576	-	6,576	(4,424)
201	KGH - Multi Purpose System	717,600	674,044	-	674,044	(43,556)
202	KGH - General Radiographic system - Digital	387,600	314,594	-	314,594	(73,006)
222	KGH - Ultrasound, Cardiac	92,800	86,237	-	86,237	(6,563)
223	KGH - Ultrasound	69,200		68,808	68,808	(392)
	<u>Miscommunication re: Project Cancellations</u>					
219	Wireless Infrastructure Refresh			39,600	39,600	39,600
						(164,514)
	<u>New Project</u>					
	Kelowna Urgent Primary Care Centre					789,600
						625,086

It should be noted that the new Centre does not yet have Designated Facility Status by the Minister under the *Hospital Act*. This is a requirement for RHD funding under the Regional *Hospital District Act*. IHA does not anticipate that this will be a problem.

If the Board is in favour of this project, to expedite the required bylaws and funding, staff recommends the following:

- Approval of the budget bylaw amendment;
- Approval of the capital bylaw; and
- THAT the Board provide instructions to staff via resolution that no payment be made to IHA for this project until the Designated Facility Status is confirmed.

Financial Considerations: The Kelowna UPC Centre does not yet have designated facility status by the Minister under the *Hospital Act*. This is a requirement for RHD funding under the *Hospital District Act*. IHA does not anticipate that this will be a problem. Funding would not be provided by CORHD until such time as that designation is confirmed in writing.

External Implications: Anticipated improvements to the delivery of emergency care in the Central Okanagan and KGH Emergency Room.

Alternative Recommendation: The Board could choose not to fund the Kelowna Urgent Primary Care Centre. The minor budget amendment for the other projects should still proceed, and the transfer to reserves would then increase by \$164,514. No additional capital bylaw would be required.

THAT Central Okanagan Regional Hospital District 2019 – 2023 Financial Plan Amendment Bylaw No. 2-2019 be given 1st, 2nd, and 3rd readings and adopted, excluding the Kelowna Urgent Primary Care Centre.

Considerations not applicable to this report:

- Strategic Plan
- Organizational
- Policy

Attachment(s):

- Central Okanagan Regional Hospital District 2019-2023 Financial Plan Amendment Bylaw 2-2019
- Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 237
- Original 2019-2023 CORHD Financial Plan Bylaw 1-2019