

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

BYLAW NO. 2-2019

Being a bylaw to amend the 2019-2023 Financial Plan

WHEREAS the Central Okanagan Regional Hospital District adopted the “2019-2023 Financial Plan Bylaw No. 1-2019” on the 25th day of March, 2019 pursuant to Section 23 of the Hospital District Act:

NOW THEREFORE the Board of Directors of the Central Okanagan Regional Hospital District in open meeting assembled enacts as follows:

- 1) The Financial Plan for the years 2019-2023, a copy of which is attached hereto, is hereby amended.
- 2) This bylaw may be cited as the “2013-2023 Financial Plan Amending Bylaw No. 2-2019”.

READ A FIRST TIME THIS	10 th	DAY OF	October	2019
READ A SECOND TIME THIS	10 th	DAY OF	October	2019
READ A THIRD TIME THIS	10 th	DAY OF	October	2019
ADOPTED THIS	10 th	DAY OF	October	2019

Chair

Director of Corporate Services

I hereby certify the above bylaw to be a true and correct copy of the 2019-2023 Financial Plan Budget Amending Bylaw No. 2-2019 as adopted by the Board of the Central Okanagan Regional Hospital District at its meeting held on the 10th day of October, 2019.

Dated at Kelowna, B.C. this
10th day of October 2019

Director of Corporate Services

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2019-2023 FINANCIAL PLAN

REVISED ROLL

October 2019 Amendment

	2019	2020	2021	2022	2023
REVENUE & FINANCING:	\$	\$	\$	\$	\$
Tax Requisition					
City of Kelowna	12,116,019	12,237,029	12,359,400	12,482,994	12,607,824
District of Peachland	453,284	457,811	462,389	467,013	471,683
District of Lake Country	1,149,506	1,160,987	1,172,597	1,184,323	1,196,166
City of West Kelowna	2,659,139	2,685,697	2,712,554	2,739,680	2,767,077
Electoral Area Central Okanagan West	321,659	324,875	328,124	331,405	334,719
Electoral Area Central Okanagan East	290,594	293,500	296,435	299,399	302,393
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)	11,045,894 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	2,472,948 d, h	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)	(4,925,301) d, h	(9,504,821) d	(14,421,170) d	(19,254,327) d	(24,288,373) d

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

	2019	2020	2021	2022	2023
% Increase per house	0.18%	0.00%	0.00%	0.00%	0.00%
Annual Tax	183.35	183.35	183.35	183.35	183.35
Residential Tax Rate (cents)	0.2481	0.2481	0.2481	0.2481	0.2481

- 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.
- h. October Budget Amendment: Changes to Project List have resulted in a net \$625k reduction in the 2019 amount transferred to reserves.

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

Approved and Planned Capital Expenditures for 2019-2023

Revised Roll - Sep Budget Amendment

		<i>Outstanding Projects Funding in Prior Years</i>	2019 Funding	2020 Funding	2021 Funding	2022 Funding	2023 Funding
	<i>40 % RHD Share</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	73,210,000	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	-		-			
d 175	Cottonwoods - Building Mngt System Replacement	240,000	163,256	24,438			
184	KGH - Image Processing System, Cellavision	61,600		61,600			
d 185	KGH - Medstations, IH-Wide Infrastructure	55,600	54,906	-			
d 188	CHSC Kelowna - Digital Wayfinding & Room Signage	90,000		81,329			
d 190	KGH - MRI/DI Sprinkler Piping Replacement	72,000	68,580	-			
195	Regional - IMIT Corporate Projects over \$100,000	430,500	284,771	145,729			
d 196	KGH - IMIT - Vocera	80,000		74,083			
197	Regional - IMIT Corporate Projects under \$100,000	217,900	187,924	29,976			
d 198	KGH - Wireless Infrastructure Refresh	12,000	6,835	-			
d 199	KGH - Telehealth Infrastructure Refresh	11,000		6,576			
200	KGH - Medstations, IH-Wide Pyxis Replacement, Ph.2	1,688,400	1,565,143	123,257			
d 201	KGH - Multi Purpose System	717,600	674,044	-			
d 202	KGH - General Radiographic system - Digital	387,600		314,594			
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			
c 219	Wireless Infrastructure Refresh	39,600		39,600			
220	KGH - Vocera Expansion and Integration	20,000		20,000			
221	Rutland Health Centre - Wireless Infrastructure Expansion	10,000		10,000			
d 222	KGH - Ultrasound, Cardiac	92,800	86,237	-			
d 223	KGH - Ultrasound	69,200		68,808			
Annual Capital Costs for Current Year Projects		93,088,200	78,113,412	5,583,674	0	0	0
New Projects Planned for 2019							
225	KGH - Surgical Optimization Clinic - Various	1,812,000		1,812,000			
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		991,600			
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			
232	KGH - Chemistry Analyzer (x2)	180,000		180,000			
233	KGH - Hematology Analyzer (x2)	148,000		148,000			
234	KGH - Laboratory Middleware	127,000		127,000			
235	KGH - MRI Compatible Monitoring System	51,000		51,000			
e 237	Kelowna Urgent Primary Care Centre Capital Tenant Imprvmts.	789,600		789,600			
236	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	5,462,220	0	6,427,520	4,199,780	4,262,776	4,331,690
TOTAL ANNUAL CAPITAL COSTS		98,550,420	78,113,412	12,011,194	4,199,780	4,262,776	4,331,690

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.

c. Minor project previously approved in 2018. Project was understood to be cancelled, but it was in fact a different project.

d. Closed Projects list received. Costs adjusted downward based on actual costs.

e. Mid-cycle request received from IHA to fund Urgent Primary Care Centre. Actual project funding provision would be subject to the facility being named a Designated Hospital Facility as is required under the Regional Hospital District Act.