

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

BYLAW NO. 1-2019

Being a bylaw to adopt the 2019-2023 Financial Plan

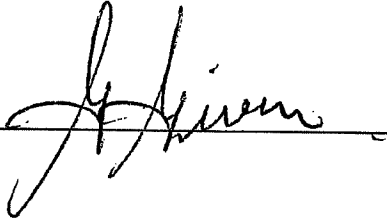
WHEREAS pursuant to Section 23 of the Hospital District Act, the Board is required to adopt its Annual Budget, on or before the 31st day of March in each year.

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

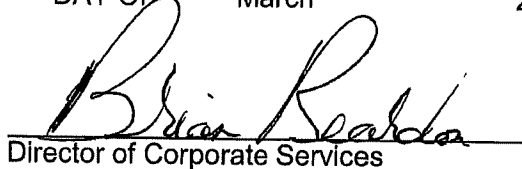
- 1) The Financial Plan for the years 2019-2023, a copy of which is attached hereto, is hereby adopted pursuant to Section 23 of the *Hospital District Act*.
- 2) This bylaw may be cited as the "2019-2023 Financial Plan Budget Bylaw No.1-2019".

READ A FIRST TIME THIS	25 th	DAY OF	March	2019
READ A SECOND TIME THIS	25 th	DAY OF	March	2019
READ A THIRD TIME THIS	25 th	DAY OF	March	2019
ADOPTED THIS	25 th	DAY OF	March	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 Bylaw No. 1-2019 as adopted by the Board of the Central Okanagan Regional Hospital District at its meeting held on the 25th day of March, 2019.

Dated at Kelowna, B.C. this
25th day of March 2019

Director of Corporate Services



CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2019-2023 FINANCIAL PLAN

Revised Roll - Final Budget

	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)	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	0.18%	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
	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	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								
	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				
	236 Minor Equipment Grant Estimate Future Years			965,300	979,780	994,476	1,014,366	1,034,653
	Future Projects estimated by RDCO staff				3,220,000	3,268,300	3,317,325	3,367,084
b	Annual Capital Costs for Planned Projects	4,672,620	0	5,637,920	4,199,780	4,262,776	4,331,690	4,401,737
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.