

# CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

## 2020-2024 FINANCIAL PLAN

### COMPLETED ROLL Draft #1 Alternative 2.4 and 2% Increases

	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
<b>REVENUE &amp; FINANCING:</b>					
<b>Tax Requisition</b>					
City of Kelowna	13,040,532	13,434,356	13,840,074	14,258,044	14,688,637
District of Peachland	471,613	485,855	500,528	515,644	531,217
District of Lake Country	1,240,865	1,278,339	1,316,944	1,356,716	1,397,689
City of West Kelowna	2,796,580	2,881,037	2,968,044	3,057,679	3,150,021
Electoral Area Central Okanagan West	339,225	342,617	346,044	349,504	352,999
Electoral Area Central Okanagan East	312,185	315,307	318,460	321,645	324,861
<b>Total Tax Requisition</b>	<b>18,201,000</b>	<b>18,737,512</b>	<b>19,290,094</b>	<b>19,859,232</b>	<b>20,445,424</b>
Net Cash from New Financing	0	11,566,830 a	0	0	0
MFA Actuarial Addition	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c	2,352,192 c
Transfer From Reserves	0	11,100,000	0	0	0
Use of Surplus Cash	7,000,000	0	0	0	0
<b>TOTAL REVENUE</b>	<b>26,627,374</b>	<b>43,048,897</b>	<b>21,161,223</b>	<b>21,966,243</b>	<b>22,797,616</b>
<b>EXPENSES &amp; DEBT PAYMENTS:</b>					
<b>Expenses:</b>					
Administration	39,500	40,000	40,500	41,000	41,500
Audit & Contract Services	9,250	9,500	9,775	10,050	11,175
Debt Issue Expense	0	70,102 a	0	0	0
Principal Debt Reduction re: MFA Actuarial Addition	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c	2,352,192 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	233,673 a	924,729 a	924,729 a	924,729 a
Temporary Borrowing Interest	25,000	197,451 a,h	25,000	25,000	25,000
<b>Total Expenses &amp; Debt Payments</b>	<b>10,053,739</b>	<b>10,748,896</b>	<b>11,424,748</b>	<b>11,661,405</b>	<b>11,908,211</b>
<b>Expenditure Funding Under Section 20(2)</b>					
IHA Minor Capital Improvements and Equipment Funding:					
IHA Capital Projects (Pd with Current Budget Funds)	1,030,300	1,045,755	1,061,441	1,082,670	1,104,323
IHA Capital Projects (Pd with New Financing)	8,922,332 f	19,757,518 a,f	3,938,559 f	3,997,638	4,057,602
IHA Capital Projects (Pd with New Financing)	0 a	11,496,728 a	0	0	0
Transfer to Reserves	6,621,003 d, h	0	4,736,476 d	5,224,531 d	5,727,480 d
<b>Total Capital Projects Section 20(2)</b>	<b>16,573,635</b>	<b>32,300,000</b>	<b>9,736,476</b>	<b>10,304,838</b>	<b>10,889,405</b>
<b>TOTAL EXPENDITURE</b>	<b>26,627,374</b>	<b>43,048,896</b>	<b>21,161,224</b>	<b>21,966,243</b>	<b>22,797,616</b>
Year End Reserve Balance (Unrestricted)	(11,606,890) d,h	(622,959) d	(5,365,664) d	(10,643,852) d	(16,477,771) d

**Impact on residential home average assessment \$734,500 in 2020:**

	2.40%	2.00%	2.00%	2.00%	2.00%
<b>% Increase per house</b>	<b>2.40%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>
<b>Annual Tax</b>	<b>187.74</b>	<b>191.50</b>	<b>195.33</b>	<b>199.23</b>	<b>203.22</b>
<b>Residential Tax Rate (cents)</b>	<b>0.2556</b>	<b>0.2607</b>	<b>0.2659</b>	<b>0.2713</b>	<b>0.2767</b>
	b,d,e	b,d	b,d	b,d	b,d

a. Additional debt required to fund anticipated 2021 projects

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.

e. In 2019, the average equivalent house valued at \$741,000 would have paid \$183.35 at a tax rate of \$0.2481/\$1000 of assessment.

f. Includes IHSC Project: In 2017 IHA advised that construction uncertainties had been removed and contingencies were 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 was not reduced. The remaining costs in 2020 are expected to be less than \$100k as the project wraps up.

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 2019 is provided during budget discussions 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. Additional temporary interest prior to borrowing.

i. If this scenario is chosen, \$400k more debt financing is required in 2021 and there would be \$2.2m less in reserves in 2024.

# CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

## Approved and Planned Capital Expenditures for 2020-2024

### COMPLETED ROLL Draft #1

### Alternative 2.4 and 2% Increases

	40 % RHD Share	Outstanding Projects Funding in Prior Years	2020 Funding	2021 Funding	2022 Funding	2023 Funding	2024 Funding
<b>Approved Capital Projects</b>							
<b>Bylaw</b>							
a 113	Heart and Surgical Centre (2010 - 2019) Bylaw is \$91.347m, plus 100% funding of IHSC 4th Floor Perinatal	84,690,000	73,780,729	100,000			
150	KGH - Automated Auto-Immune Analyzer	128,000	64,501	63,499			
184	KGH - Image Processing System, Cellavision	61,600	60,396	1,204			
195	Regional - IMIT Corporate Projects over \$100,000	430,500	371,040	59,460			
197	Regional - IMIT Corporate Projects under \$100,000	217,900	211,490	6,410			
200	KGH - Medstations, IH-Wide Pyxis Replacement, Ph.2	1,688,400	1,576,109	112,291			
204	Three Links Manor - Generator Replacement	224,400	140,812	83,588			
207	David Lloyd Jones Home - Air Conditioning, Bernard Wing	36,000		36,000			
208	Cottonwoods - Patio Replacement for Douglas Fir Unit	34,800	31,537	3,263			
209	May Bennett WC - Wireless Infrastructure Expansion	22,000	21,527	473			
211	KGH - Surface Parking	540,000	524,218	15,782			
212	Kelowna Community Health Services Centre - Central Okanagan Wellness Centre	360,000	332,250	27,750			
213	West Kelowna Health Centre - Leasehold Improvements	300,000		300,000			
214	KGH - 3 West Medical Inpatient Nursing Unit Renovation	100,000		100,000			
216	KGH - Access Control System Upgrade	24,000	23,203	797			
217	Regional IMIT - Various	2,039,600	1,072,494	967,106			
218	Cottonwoods - Vocera Expansion and Integration	72,000	49,579	22,421			
219	Wireless Infrastructure Refresh	39,600	30,520	9,080			
220	KGH - Vocera Expansion and Integration	20,000	9,070	10,930			
221	Rutland Health Centre - Wireless Infrastructure Expansion	10,000	3,815	6,185			
225	KGH - Surgical Optimization Clinic - Various	1,812,000	1,011,087	800,913			
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	407,368	584,232			
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	142,964	5,036			
234	KGH - Laboratory Middleware	127,000		127,000			
235	KGH - MRI Compatible Monitoring System	51,000	50,905	95			
b 237	Kelowna Urgent Primary Care Centre Capital Tenant Imprvmts.	789,600	473,603	315,997			
<b>Annual Capital Costs for Current Year Projects</b>		<b>96,501,020</b>	<b>80,389,217</b>	<b>5,302,532</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>New Projects Planned for 2020</b>							
	Cottonwoods - Septic Drain - Planning & Phase 1	200,000		200,000			
	Regional - IH - Wide IMIT - Various	1,004,800		1,004,800			
	KGH - Unified Communications - Telephony	582,400		582,400			
	KGH - Emergency Department Module (EDM) Implement/Plan	60,000		60,000			
	KGH - Cath Lab	621,600		621,600			
	KGH - Meal Delivery System	598,400		598,400			
	KGH - Integrated Chemistry / Immunochemistry Analyzer	180,000		180,000			
	KGH - Digital Video Cameras	130,000		130,000			
	KGH - Blood Culture System	119,000		119,000			
	KGH - Remote Patient Observation System	123,600		123,600			
	Minor Equipment Grant Estimate Future Years			1,030,300	1,045,755	1,061,441	1,082,670
	Future Projects estimated				31,254,246	3,938,559	3,997,638
	<b>Annual Capital Costs for New Planned Projects</b>	<b>3,619,800</b>	<b>0</b>	<b>4,650,100</b>	<b>32,300,000</b>	<b>5,000,000</b>	<b>5,080,307</b>
<b>TOTAL ANNUAL CAPITAL COSTS</b>		<b>100,120,820</b>	<b>80,389,217</b>	<b>9,952,632</b>	<b>32,300,000</b>	<b>5,000,000</b>	<b>5,080,307</b>

- a. Includes IHA's Project Reserve. Bylaw is for \$91.347m and with reduced contingencies, total estimated funding requirement is \$73.88m.
- b. 2019 Mid-cycle request received from IHA to fund Urgent Primary Care Centre. Actual project funding provision subject to the facility being named a Designated Hospital Facility as is required under the Regional Hospital District Act.
- c. 2021 includes staff estimates for possible \$6m MRI purchase and \$20m parkade project.