

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2020-2024 FINANCIAL PLAN

COMPLETED ROLL Draft #2

	2020	2021	2022	2023	2024
REVENUE & FINANCING:	\$	\$	\$	\$	\$
Tax Requisition					
City of Kelowna	13,117,911	13,645,907	14,195,155	14,766,510	15,360,862
District of Peachland	474,411	493,506	513,370	534,033	555,528
District of Lake Country	1,248,227	1,298,469	1,350,732	1,405,099	1,461,654
City of West Kelowna	2,813,174	2,926,405	3,044,192	3,166,721	3,294,182
Electoral Area Central Okanagan West	341,238	344,650	348,097	351,578	355,094
Electoral Area Central Okanagan East	314,038	317,178	320,350	323,554	326,789
Total Tax Requisition	18,309,000	19,026,115	19,771,896	20,547,494	21,354,108
Net Cash from New Financing	0	0 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	6,502,000 a	0	0	0
Use of Surplus Cash	7,000,000	0	0	0	0
TOTAL REVENUE	26,735,374	27,172,670	21,643,025	22,654,505	23,706,300
EXPENSES & DEBT PAYMENTS:					
Expenses:					
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	0	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	0 a	0 a	0 a	0 a
Temporary Borrowing Interest	25,000	25,000	25,000	25,000	25,000
Total Expenses & Debt Payments	10,053,739	10,272,670	10,500,019	10,736,676	10,983,482
Expenditure Funding Under Section 20(2)					
IHA Minor Capital Improvements and Equipment Funding:	1,030,300	1,045,755	1,061,441	1,082,670	1,104,323
IHA Capital Projects (Pd with Current Budget Funds)	9,429,564 f	15,854,246 a,f	3,938,559 f	3,997,638	4,057,602
IHA Capital Projects (Pd with New Financing)	0	0 a	0	0	0
Transfer to Reserves	6,221,771 d, h	0	6,143,006 d	6,837,522 d	7,560,893 d
Total Capital Projects Section 20(2)	16,681,635	16,900,000	11,143,006	11,917,829	12,722,818
TOTAL EXPENDITURE	26,735,374	27,172,670	21,643,025	22,654,505	23,706,300
Year End Reserve Balance (Unrestricted)	(11,207,658) d, h	(4,817,735) d	(11,008,918) d	(17,956,529) d	(25,696,987) d

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

% Increase per house	3.00%	3.00%	3.00%	3.00%	3.00%
Annual Tax	188.86	194.51	200.34	206.34	212.52
Residential Tax Rate (cents)	0.2571	0.2648	0.2728	0.2809	0.2893
	b, d, e	b, d	b, d	b, d	b, d

a. No additional debt required to fund anticipated 2021 projects. Use reserves. IHA has indicated that there are potential large project requests coming in the next 10 years.

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.

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

Approved and Planned Capital Expenditures for 2020-2024

COMPLETED ROLL Draft #2

		<i>40 % RHD Share</i>	<i>Outstanding Projects Funding in Prior Years</i>	2020 Funding	2021 Funding	2022 Funding	2023 Funding	2024 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	73,780,729	100,000				
	150 KGH - Automated Auto-Immune Analyzer	128,000	64,501	63,499				
	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	15,782	524,218				
	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 Imprvmnts.	789,600	473,603	315,997				
Annual Capital Costs for Current Year Projects		96,439,420	79,820,385	5,809,764	0	0	0	0
New Projects Planned for 2020								
	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	1,104,323
	KGH Parkade (approved in advance)				4,600,000			
c	Future Projects estimated				11,254,246	3,938,559	3,997,638	4,057,602
Annual Capital Costs for New Planned Projects		3,619,800	0	4,650,100	16,900,000	5,000,000	5,080,307	5,161,925
TOTAL ANNUAL CAPITAL COSTS		100,059,220	79,820,385	10,459,864	16,900,000	5,000,000	5,080,307	5,161,925

- 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.