



Regional Hospital District Board Report

TO: Regional Hospital District Board

FROM: Marilyn Rilkoﬀ
Director of Financial Services

DATE: September 30, 2020

SUBJECT: 2020 IHA Mid Cycle Budget Requests & Proposed Budget Amendment

Voting Entitlement: All Directors – Weighted Vote – Simple Majority – LGA 210/214

Purpose: To consider requests received from IHA to fund 40% of the West Kelowna Urgent Primary Care Centre (WKUPCC), and two additional projects, and to make any required bylaw amendments based on the Board approvals.

Executive Summary:

Interior Health Authority (IHA) is requesting that CORHD fund 40% of three (3) additional mid-budget cycle capital projects for their 2020/2021 fiscal year totaling \$1.42m:

- Cottonwoods Care Centre Replacement Long Term Care Business Plan \$100,000
- West Kelowna Urgent Primary Care Centre \$1,200,000
- Kelowna Community Health & Services Centre 5th Floor Completion \$120,000.

If the Board is in favour of providing this funding, the budget amendment bylaw and two capital bylaws on the agenda would require approval.

The funding for these projects could be provided in 2020 by:

- Moving \$1.784m of approved project cash requirements shown in the current financial plan from 2020 to 2021, and utilizing those funds for these new projects in 2020.
- Transferring any excess to reserves. In 2021, the use of reserves will be required to fund the projects moved to 2021.

It should be noted that the WKUPCC 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.

RECOMMENDATION #1:

THAT Central Okanagan Regional Hospital District 2020 – 2024 Financial Plan Amendment Bylaw No. 2-2020 be given 1st, 2nd, and 3rd readings and adopted.

RECOMMENDATION #2

THAT the Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 250 be given 1st, 2nd, and 3rd readings and adopted.

RECOMMENDATION #3

THAT the Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 251 be given 1st, 2nd, and 3rd readings and adopted.

RECOMMENDATION #4

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

Respectfully Submitted:



Marilyn Rilko, CPA CMA
Deputy 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 in 2020 could come from shifting previously approved projects within the Financial Plan from 2020 to 2021, and utilizing the 2020 funds for these projects, and for the newly proposed projects. Any excess funds would be transferred into reserves. In 2021, the use of reserves would be required to pay for the projects previously approved.

Legal/Statutory Authority: *Hospital District Act*
Central Okanagan Regional Hospital District Bylaw No. 1-2020
Hospital Act

Background:

CORHD has received a revised letter from the Interior Health Authority (IHA) dated September 30, 2020. IHA is requesting additional mid-budget cycle capital funding for the 2020/2021 fiscal year totaling \$1.42m for three (3) projects:

- Cottonwoods Care Centre Replacement Long Term Care Business Plan \$100,000
- West Kelowna Urgent Primary Care Centre \$1,200,000
- Kelowna Community Health & Services Centre 5th Floor Completion \$120,000

The funding for these projects could be provided in 2020 by:

- Moving \$1.784m of cash flow requirements for previously approved projects from 2020 to 2021:
 - Bylaw 226 – KGH Boiler Room Upgrade \$252,000
 - Bylaw 231 – KGH Monitoring System Physiological \$312,200
 - Bylaw 242 – KGH Cath Lab \$621,600
 - Bylaw 243 – KGH Meal Delivery System \$598,400
- An additional \$364k would also be transferred to reserves.
- In 2021, \$1.784m would be withdrawn from reserves to pay for these previously approved deferred projects.

It should be noted that the new UPCC 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 funding all three projects, or some combination thereof, in order to expedite the required bylaws and funding, staff recommends the following:

- Approval of the budget bylaw amendment;
- Approval of the capital bylaws for the other two projects; 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. A capital bylaw for the project would be brought forward at a future meeting once the facility is designated.

Financial Considerations:

The West Kelowna UPC Centre (WKUPCC) 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, and the capital bylaw would be brought forward at that time.

External Implications:

By adding the West Kelowna UPCC, it is anticipated that there will be improvements to the delivery of emergency care in the Central Okanagan and KGH Emergency Room.

Alternative Recommendation:

The Board could choose fund some partial combination of the three proposed projects. The bylaws and recommendations would be amended accordingly at the direction of the Board.

Attachment(s):

- Central Okanagan Regional Hospital District 2020-2024 Financial Plan Amendment Bylaw 2-2020
- Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 250
- Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 251
- Original 2020-2024 CORHD Financial Plan Bylaw 1-2020 (for comparative reference)