

# IHA Mid-Cycle Budget Requests – Proposed Budget Amendment

Central Okanagan Regional Hospital District Board Meeting

October 08, 2020

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# 2020 Mid Budget Cycle Requests:

- Interior Health requesting 40% CORHD funding – 3 new projects – Total \$1.42m:
  - Cottonwoods Care Centre Replacement – Long Term Care Business Plan \$100k
  - West Kelowna Urgent Primary Care Centre \$1.2m
  - Kelowna Community Health & Services Centre – 5<sup>th</sup> Floor Completion \$120k

# If Board is in favor of all three projects:

- Funding of the \$1.42m would come from:
  - \$1.784m cash flow funding for four approved projects moved to 2021:
    - Bylaw 226: KGH Boiler Room Upgrade \$252k
    - Bylaw 231: KGH Monitoring System Physiological \$312.2k
    - Bylaw 242: KGH Cath Lab \$621.6k
    - Bylaw 243: KGH Meal Delivery System \$598.4k
  - Plus - Additional \$364k transferred to reserves in 2020

# Snapshot: 2020 – 2024 Original Financial Plan Projects & Reserves vs. Amended

## 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
<b>Total Capital Projects Section 20(2)</b>	<b>16,681,635</b>	<b>16,900,000</b>	<b>11,143,006</b>	<b>11,917,829</b>	<b>12,722,818</b>
<b>TOTAL EXPENDITURE</b>	<b>26,735,374</b>	<b>27,172,670</b>	<b>21,643,025</b>	<b>22,654,505</b>	<b>23,706,300</b>
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

## 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)	9,065,364 f,h	17,638,446 a,f,h	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	6,585,971 d, h	0	6,143,047 d	6,837,585 d	7,560,979 d
<b>Total Capital Projects Section 20(2)</b>	<b>16,681,635</b>	<b>18,684,200</b>	<b>11,143,047</b>	<b>11,917,892</b>	<b>12,722,904</b>
<b>TOTAL EXPENDITURE</b>	<b>26,735,374</b>	<b>28,956,870</b>	<b>21,643,066</b>	<b>22,654,568</b>	<b>23,706,386</b>
Year End Reserve Balance (Unrestricted)	-11,571,858 d,h	-3,401,397 d,h	-9,578,458 dh	-16,511,827 dh	-24,237,924 dh

# Note: WKUPCC not yet a “Designated Facility” under the Hospital Act.

- The West Kelowna UPC Centre does not have designated facility status by the Minister under the Hospital Act.
- This is a requirement for RHD funding under the Hospital District Act.
- Not anticipated to be a problem. IH and CORHD staff will coordinate.
- Anticipate that Election may cause some delay in Ministerial approval.
- Ensure funding is not provided by CORHD until designation is confirmed in writing.
- Capital Bylaw will be brought forward when approved.

# Designated Facilities:

- The *Hospital District Act*, Section 20 (1) only allows hospital districts to fund hospitals and hospital facilities, as defined in Part 1 – Definitions. Under Section 49 of the *Hospital District Act*, the Minister may designate an institution or facility in the health field as a health facility for the purposes of the *Act*.

# Hospital District Act – Section 20 - Purposes

- (1) The purposes of a regional hospital district are the following:
  - (a) to establish, acquire, construct, reconstruct, enlarge, operate and maintain hospitals and hospital facilities;
  - (b) to grant aid for the establishment, acquisition, reconstruction, enlargement, operation and maintenance of hospitals and hospital facilities;
  - (c) to assume obligations of any member municipality, or any improvement district not within the definition "municipality", or any hospital corporation, or any member treaty first nation, with respect to the repayment of money borrowed and provided for the financing of hospital projects and interest on it, or to provide reimbursement to a municipality, improvement district, hospital corporation or member treaty first nation for money provided for financing hospital projects that were raised or obtained otherwise than by borrowing;
  - (d) to act as the agent of the government in receiving and disbursing money granted out of the hospital insurance fund;
  - (e) to act as the agent of a hospital for receiving and applying all money paid to or for the hospital by the government of Canada;
  - (f) to exercise and perform the other powers and duties prescribed under this Act as and when required.
- (2) The board of a district may carry out the purposes referred to in subsection (1) only in accordance with and to the extent authorized under this Act.
- (3) In exercising the powers under subsection (1) or section 17 (2), the board must raise in any year, by making provision in its budget or by temporary borrowing, an amount which must not be greater in the aggregate than a prescribed amount.
- (4) Money raised under subsection (3) but not spent during one year may be carried forward and spent in succeeding years and must be reported to the minister.
- (5) Money for which provision has been made in the board's budget under subsection (4) may be raised by temporary borrowing pending receipt of money requisitioned and due to the board under section 25 (2) and (6).
- (6) In addition to the money raised under subsection (3), the board may raise annually the money required for the payment of principal and interest on borrowings, other than the principal of a short term loan that is to be repaid out of the money raised by the sale of securities.

# Definitions in the Act

- **"hospital"** means a hospital as defined by any provision of the Hospital Act and includes an institution or facility in the health field designated by the minister under section 49 as a health facility for the purposes of this Act;



# Ability of the Minister to Designate:

- **Minister may designate health facility**

- **49** The minister may designate an institution or facility in the health field as a health facility for the purposes of this Act.

# Recommendations:

- **#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.
- **#2 - THAT** the Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 250 be given 1st, 2nd, and 3rd readings and adopted.
- **#3 - THAT** the Central Okanagan Regional Hospital District Capital Expenditure Bylaw No. 251 be given 1st, 2nd, and 3rd readings and adopted.
- **#4 - THAT** the Regional Hospital Board approves funding and future capital bylaws subject to the projects and/or facilities qualifying as designated facilities pursuant to the *Hospital District Act*
- **#5 - THAT** the Central Okanagan Regional Hospital Board requests Interior Health pursue the designation of “health facility” for the West Kelowna Urgent and Primary Care Centre for the purposes of the Hospital District Act.”