

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

ORIGINAL
BUDGET

2020-2024 FINANCIAL PLAN

REVISED ROLL Mar 23

	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
REVENUE & FINANCING:					
Tax Requisition					
City of Kelowna	13,118,976	13,647,015	14,196,307	14,767,709	15,362,109
District of Peachland	474,515	493,615	513,483	534,150	555,650
District of Lake Country	1,246,397	1,296,564	1,348,751	1,403,038	1,459,510
City of West Kelowna	2,814,496	2,927,780	3,045,623	3,168,209	3,295,729
Electoral Area Central Okanagan West	340,966	344,376	347,820	351,298	354,811
Electoral Area Central Okanagan East	313,650	316,786	319,954	323,154	326,385
Total Tax Requisition	18,309,000	19,026,135	19,771,937	20,547,557	21,354,194
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	27,172,690	21,643,066	22,654,568	23,706,386
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:					
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)	9,429,564 f	15,854,246 a,f	3,938,559 f	3,997,638	4,057,602
Transfer to Reserves	0	0 a	0	0	0
Total Capital Projects Section 20(2)	6,221,771 d, h	0	6,143,006 d	6,837,522 d	7,560,893 d
TOTAL EXPENDITURE	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	3.10%	3.00%	3.00%	3.00%	3.00%
Annual Tax	189.03	194.69	200.52	206.53	212.72
Residential Tax Rate (cents)	0.2574	0.2651	0.2730	0.2812	0.2896
	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

**ORIGINAL
BUDGET**

Approved and Planned Capital Expenditures for 2020-2024

REVISED ROLL Mar 23

		<i>Outstanding Projects Funding in Prior Years</i>	2020 Funding	2021 Funding	2022 Funding	2023 Funding	2024 Funding
	<i>40 % RHD Share</i>						
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 Imprvmts.	789,600	473,603	315,997		
Annual Capital Costs for Current Year Projects			96,439,420	79,820,385	5,809,764	0	0
New Projects Planned for 2020							
	238	Cottonwoods - Septic Drain - Planning & Phase 1	200,000		200,000		
	239	Regional - IH - Wide IMIT - Various	1,004,800		1,004,800		
	240	KGH - Unified Communications - Telephony	582,400		582,400		
	241	KGH - Emergency Department Module (EDM) Implement/Plan	60,000		60,000		
	242	KGH - Cath Lab	621,600		621,600		
	243	KGH - Meal Delivery System	598,400		598,400		
	244	KGH - Integrated Chemistry / Immunochemistry Analyzer	180,000		180,000		
	245	KGH - Digital Video Cameras	130,000		130,000		
	246	KGH - Blood Culture System	119,000		119,000		
	247	KGH - Remote Patient Observation System	123,600		123,600		
	248	Minor Equipment Grant Estimate Future Years		1,030,300	1,045,755	1,061,441	1,082,670
	249	KGH Parkade (approved in advance)			4,600,000		1,104,323
c		Future Projects estimated			11,254,246	3,938,559	3,997,638
Annual Capital Costs for New Planned Projects			3,619,800	0	4,650,100	16,900,000	5,000,000
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.