

**CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT**

**BYLAW NO. 1-2021**

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**Being a bylaw to adopt the 2021-2025 Financial Plan**

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WHEREAS pursuant to Section 23 of the Hospital District Act, the Board is required to adopt its Annual Budget, on or before the 31<sup>st</sup> day of March in each year.

NOW THEREFORE the Board of Directors of the Central Okanagan Regional Hospital District in open meeting assembled enacts as follows:

- 1) The Financial Plan for the years 2021-2025, a copy of which is attached hereto, is hereby adopted pursuant to Section 23 of the *Hospital District Act*.
- 2) This bylaw may be cited as the “2021-2025 Financial Plan Budget Bylaw No.1-2021”.

READ A FIRST TIME THIS	29th	DAY OF	March	2021
READ A SECOND TIME THIS	29th	DAY OF	March	2021
READ A THIRD TIME THIS	29th	DAY OF	March	2021
ADOPTED THIS	29th	DAY OF	March	2021

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Chair

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Director of Corporate Services

I hereby certify the above bylaw to be a true and correct copy of the 2021-2025 Financial Plan Budget Bylaw No. 1-2021 as adopted by the Board of the Central Okanagan Regional Hospital District at its meeting held on the 29th day of March, 2021.

Dated at Kelowna, B.C. this  
29th day of March 2021

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Director of Corporate Services

# CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

## 2021-2025 FINANCIAL PLAN

## COMPLETED ROLL Draft #1

	2021	2022	2023	2024	2025
REVENUE & FINANCING:	\$	\$	\$	\$	\$
<b>Tax Requisition</b>					
City of Kelowna	13,616,863	14,303,153	15,024,032	15,781,243	16,576,618
District of Peachland	498,784	523,923	550,329	578,066	607,200
District of Lake Country	1,362,100	1,430,750	1,502,860	1,578,604	1,658,166
City of West Kelowna	2,989,452	3,140,120	3,298,382	3,464,620	3,639,237
Electoral Area Central Okanagan West	353,935	357,475	361,049	364,660	368,306
Electoral Area Central Okanagan East	325,865	329,124	332,415	335,739	339,096
<b>Total Tax Requisition</b>	<b>19,147,000</b>	<b>20,084,545</b>	<b>21,069,067</b>	<b>22,102,932</b>	<b>23,188,624</b>
Net Cash from New Financing	0	0	0	0	0
MFA Actuarial Addition	1,556,461 a	1,773,953 a	1,997,003 a	2,234,554 a	2,478,026 a
Transfer From Reserves	2,865,852	1,503,240	0	0	0
Use of Surplus Cash	8,500,000	0	0	0	0
<b>TOTAL REVENUE</b>	<b>32,069,313</b>	<b>23,361,738</b>	<b>23,066,070</b>	<b>24,337,486</b>	<b>25,666,650</b>
<b>EXPENSES &amp; DEBT PAYMENTS:</b>					
<b>Expenses:</b>					
Administration	40,000	40,500	41,000	41,500	42,000
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	1,556,461 a	1,773,953 a	1,997,003 a	2,234,554 a	2,478,026 a
MFA Debt Repayments Existing	7,285,463 b	7,285,463 c	7,285,463 c	7,285,463 c	7,285,463 c
MFA Debt Repayments New Projects	0	0	0	0	0
Temporary Borrowing Interest	25,000	25,000	25,000	25,000	25,000
<b>Total Expenses &amp; Debt Payments</b>	<b>8,916,174</b>	<b>9,134,416</b>	<b>9,358,241</b>	<b>9,596,567</b>	<b>9,841,664</b>
<b>Expenditure Funding Under Section 20(2)</b>					
IHA Minor Capital Improvements and Equipment Funding:	1,012,140	1,027,322	1,042,732	1,063,587	1,084,858
IHA Capital Projects (Pd with Current Budget Funds)	22,140,999	13,200,000 c	4,060,000 c	4,120,900 c	4,182,714 c
IHA Capital Projects (Pd with New Financing)	0	0	0	0	0
Transfer to Reserves	0	0	8,605,097 c	9,556,433 c	10,557,414 c
<b>Total Capital Projects Section 20(2)</b>	<b>23,153,139</b>	<b>14,227,322</b>	<b>13,707,829</b>	<b>14,740,920</b>	<b>15,824,986</b>
<b>TOTAL EXPENDITURE</b>	<b>32,069,313</b>	<b>23,361,738</b>	<b>23,066,070</b>	<b>24,337,487</b>	<b>25,666,650</b>
Year End Reserve Balance (Unrestricted)	(8,772,899) c	(7,357,388) c	(16,036,059) c	(25,752,852) c	(36,567,795) c

**Impact on residential home average assessment \$751,500 in 2021:**

% Increase per house	4.00%	4.00%	4.00%	4.00%	4.00%
<b>Annual Tax</b>	<b>196.49 d</b>	<b>204.35</b>	<b>212.52</b>	<b>221.02</b>	<b>229.86</b>
<b>Residential Tax Rate (cents)</b>	<b>0.2615</b>	<b>0.2719</b>	<b>0.2828</b>	<b>0.2941</b>	<b>0.3059</b>
	d,e	d,e	d,e	d,e	d,e
Increase over prior year for average house	7.56 d	7.86	8.17	8.50	8.84

- a. MFA Actuarial Amounts: Actuarial Interest Revenue is offset by an equal reduction to debt.
- b. In 2020 MFA Issue #110 was refinanced resulting in \$1.2m of annual savings. In 2021, this is put toward projects and in the future into reserves.
- c. IHA has indicated that they have ongoing equipment and significant infrastructure replacement needs. Any additional funds are placed in reserves to assist in avoiding additional long term debt in the future.
- d. In 2020, the average equivalent house valued at \$734,000 would have paid \$188.93 at a tax rate of \$0.2574/\$1000 of assessment.
- e. Assumes assessment growth of 1.0%
- f. 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 2021-2025

### COMPLETED ROLL Draft #1

		40 % RHD Share	Outstanding Projects Funding in Prior Years	2021 Funding	2022 Funding	2023 Funding	2024 Funding	2025 Funding
<b>Approved Capital Projects</b>								
<b>Bylaw</b>								
200	KGH - Medstations, IH-Wide Pyxis Replacement, Ph.2	1,688,400	1,609,404	78,996				
204	Three Links Manor - Generator Replacement	224,400	161,924	62,476				
211	KGH - Surface Parking	540,000	196,508	343,492				
a 213	<b>West Kelowna Health Centre - Leasehold Improvements</b>	<b>300,000</b>		<b>300,000</b>				
214	KGH - 3 West Medical Inpatient Nursing Unit Renovation	100,000	92,556	7,444				
217	Regional IMIT - Various	2,039,600	1,312,376	727,224				
218	Cottonwoods - Vocera Expansion and Integration	72,000	49,579	22,421				
219	Wireless Infrastructure Refresh	39,600	31,310	8,290				
221	Rutland Health Centre - Wireless Infrastructure Expansion	10,000	3,815	6,185				
225	KGH - Surgical Optimization Clinic - Various	1,812,000	1,432,407	379,593				
226	KGH - Boiler Room Upgrade	252,000	-	252,000				
228	Regional - IH-Wide IMIT	991,600	671,648	319,952				
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				
234	KGH - Laboratory Middleware	127,000	-	127,000				
237	Kelowna Urgent Primary Care Centre Capital Tenant Imprvmts.	789,600	785,946	3,654				
238	Cottonwoods - Septic Drain - Planning & Phase 1	200,000	-	200,000				
239	Regional - IH - Wide IMIT - Various	1,004,800	270,828	733,972				
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				
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				
d 249/253	KGH - Parkade Surface Parking	4,600,000	-	4,600,000				
250	Long-term Care Business Plan (Replacement of Cottonwoods)	100,000	-	100,000				
251	Kelowna Community Health & Services Centre 5th Floor Completion	120,000	-	120,000				
252	West Kelowna Urgent Primary Care Centre & Primary Care Network	1,200,000	-	1,200,000				
<b>Annual Capital Costs for Current Year Projects</b>		<b>19,525,400</b>	<b>6,618,301</b>	<b>12,907,099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>New Projects Planned for 2021</b>								
b	TBD - Kelowna/Rutland Primary Care Network	800,000	-	800,000				
b	TBD - Outreach Urban Health	798,000	-	798,000				
254	KGH - Sprinkler Pipe Replacement	200,000	-	200,000				
255	Various - IH-Wide IMIT	1,316,900	-	1,316,900				
256	KGH - Operating Rooms 15 & 16 - Equipment	2,760,000	-	2,760,000				
257	KGH - Endovascular Treatment Equipment	1,847,000	-	1,847,000				
258	KGH - Multi - Dose Packaging Equipment	326,000	-	326,000				
259	KGH - Ultrasound (x3) and Ultrasound, Cardiac	306,800	-	306,800				
b	<b>Regional Warehouse - Inventory Carousel Upgrade</b>	<b>227,200</b>	<b>-</b>	<b>227,200</b>				
260	KGH - C-Arm with Vascular	119,200	-	119,200				
261	KGH - Automated Chemistry / Immunochemistry Analyzer System Note: Bylaws 232 (\$180,000) and 244 (\$180,000) previously approved. Rescind bylaws and issue new bylaw.	448,800	-	448,800				
262	KGH - Holmium Laser	84,000	-	84,000				
c 263	Minor Equipment Grant Current Year & Estimated Future Years	1,012,140	-	1,012,140	1,027,322	1,042,732	1,063,587	1,084,858
c	Future Projects estimated				13,200,000	4,060,000	4,120,900	4,182,714
<b>Annual Capital Costs for New Planned Projects</b>		<b>10,246,040</b>	<b>0</b>	<b>10,246,040</b>	<b>14,227,322</b>	<b>5,102,732</b>	<b>5,184,487</b>	<b>5,267,572</b>
<b>TOTAL ANNUAL CAPITAL COSTS</b>		<b>29,771,440</b>	<b>6,618,301</b>	<b>23,153,139</b>	<b>14,227,322</b>	<b>5,102,732</b>	<b>5,184,487</b>	<b>5,267,572</b>

a Previously approved \$300k for West Kelowna Health Centre Leasehold Improvements. Awaiting clarification from IHA if this is still required in light of WKUPCC Project.

b. These facilities would need to be Designated under the Act by the Minister before an expenditure bylaw could be issued and expenditures made.

c. 2022 includes staff estimates for possible MRI equipment. Future requests over the next 10 years will likely exceed \$150 million in total.

d. Amend Bylaw from Parkade to Surface Parking