

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

BYLAW NO. 1-2017

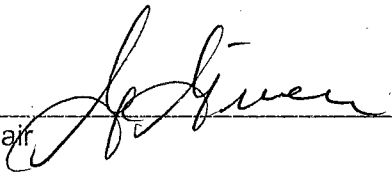
Being a bylaw to adopt the 2017-2021 Financial Plan


WHEREAS pursuant to Section 23 of the Hospital District Act, the Board is required to adopt it's Annual Budget, on or before the 31st 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 2017-2021, 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 "2017-2021 Financial Plan Budget Bylaw No.1-2017".

READ A FIRST TIME THIS	27 th	DAY OF	March	2017
READ A SECOND TIME THIS	27 th	DAY OF	March	2017
READ A THIRD TIME THIS	27 th	DAY OF	March	2017
ADOPTED THIS	27 th	DAY OF	March	2017


Chair


Director of Corporate Services

I hereby certify the above bylaw to be a true and correct copy of the 2017-2021 Financial Plan Budget Bylaw No. 1-2017 as adopted by the Board of the Central Okanagan Regional Hospital District at its meeting held on the 27th day of March, 2017.

Dated at Kelowna, B.C. this
27th day of March 2017


Director of Corporate Services

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2017-2021 FINANCIAL PLAN

Completed Roll

REVENUE & FINANCING:	2017	2018	2019	2020	2021
	\$	\$	\$	\$	\$
Tax Requisition					
City of Kelowna	11,530,690	11,645,997	11,762,457	11,880,082	11,998,882
District of Peachland	450,399	454,903	459,452	464,046	468,687
District of Lake Country	1,106,429	1,117,493	1,128,668	1,139,955	1,151,354
City of West Kelowna	2,567,231	2,592,903	2,618,832	2,645,020	2,671,470
Electoral Areas	607,552	613,627	619,763	625,961	632,221
Total Tax Requisition	16,262,300	16,424,923	16,589,172	16,755,064	16,922,615
Net Cash from New Financing	1,826,667 a	0	0	0	0
MFA Actuarial Addition	820,965 c	1,014,943 c	1,216,643 c	1,426,374 c	1,644,555 c
Use of Surplus Cash	2,300,000	0	0	0	0
TOTAL REVENUE	21,209,932	17,439,866	17,805,815	18,181,438	18,567,170

EXPENSES & DEBT PAYMENTS:

Expenses:					
Administration	38,000	39,000	40,000	41,000	42,000
Audit & Contract Services	9,000	9,250	9,500	9,775	10,050
Principal Debt Reduction re: MFA Act	820,965 c	1,014,943 c	1,216,643 c	1,426,374 c	1,644,555 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	46,409 a	155,159 a	155,159 a	155,159 a	155,159 a
Temporary Borrowing Interest	50,000	25,000	25,000	25,000	25,000
Total Expenses & Debt Payment	9,517,989	9,796,967	9,999,917	10,210,923	10,430,379
Expenditure Funding Under Section 20(2)					
IHA Minor Capital Improvements and Equipment Funding:	954,200	968,513	983,041	1,002,702	1,022,756
IHA Capital Projects (Pd with Cash from Transfer to Reserves)	8,911,076 f	4,432,000 f	4,042,000 f	3,000,000	3,000,000
IHA Capital Projects (Pd with New Financing)	1,826,667 a	2,242,386	2,780,858	3,967,814	4,114,036
Total Capital Projects Section 2	11,691,943	7,642,899	7,805,899	7,970,516	8,136,792
TOTAL EXPENDITURE	21,209,932	17,439,866	17,805,815	18,181,438	18,567,170
Year End Reserve Balance		(2,242,386) d	(5,135,363) d	(9,205,885) d	(13,504,038) d

Impact on residential home average assessment \$597,000 in 2017:

% Increase per house	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Tax	180.29	180.29	180.29	180.29	180.29
Residential Tax Rate (cents)	0.3020	0.3020	0.3020	0.3020	0.3020

- a. Assumes 20 year financing @ 5%. Depending on interest rate, financing could be done over a shorter period of 15 or 10 years.
- b. Assumes assessment growth of 1.0%
- c. MFA Actuarial Amounts have been added. While the revenue is offset by an equal reduction to debt, it is felt that this provides better information.
- d. IHA have 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 2016, the average equivalent house valued at \$539,000 would have paid \$180.29
- f. IHSC Project: IHA has advised that construction uncertainties have been removed and contingencies have been reduced. Projected reduction is \$9.187 million. This amount has been removed from the budget estimates for future project costs and debt financing. The approved project bylaw has not been reduced, and should there be future adjustments due to unforeseen circumstances, the budget would be amended at that time.
- 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. The CORHD is required to meet PSAS reporting standards in its audited financial statements, which are not on a cash basis. However, a comparison of budget to actual for 2016 is attached to reflect differences in funding and expenditures. Revenues and Financing balance to Expenses and Debt Payments. As a result, there is no surplus or deficit for budget purposes.

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

Approved and Planned Capital Expenditures for 2017-2021

	<i>40 % RHD Share</i>	<i>Outstanding Projects Funding in Prior Years</i>	2017 Funding	2018 Funding	2019 Funding	2020 Funding	2021 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	71,646,000	1,383,000	1,432,000	1,042,000	0
134	KGH - Automated Specimen Planting System	165,800	163,864	1,936			
c 147	Cottonwoods - Countertops & Cupboards Replacement	44,000	40,014	3,986			
150	KGH - Automated Auto-Immune Analyzer	128,000		128,000			
c 163	David Lloyd Jones - Storm Water Management	72,000	68,503	3,497			
c 164	Cottonwoods - Generator Replacement	32,000	21,065	10,935			
166	Kelowna Community Health - Technology Infrastructure	500,000	423,507	76,493			
c 167	Three Links Manor - Vocera & Wireless Infrastructure	48,000	43,741	4,259			
168	KGH - Vocera	38,000	33,963	4,037			
169	KGH - Gamma Camera	547,200	539,074	8,126			
172	KGH - Laboratory Equipment	1,500,000		1,500,000			
174	KGH - Integration Management System	64,000	61,563	2,437			
c 175	Cottonwoods - Building Mngt System Replacement	240,000		240,000			
176	KGH - Centralize Rehab Clerical Staff & Patient Waiting Area	38,000		38,000			
177	KGH - Forms on Demand & Patient ID System	207,200	125,161	82,039			
178	KGH - Vocera	60,000	58,593	1,407			
179	KGH - Radiologist Diagnostic Monitor Replacement	60,000		60,000			
180	KGH - Microscope	183,200	175,764	7,436			
181	KGH - Tissue Processor (x2)	138,400		138,400			
182	KGH - C-Arm	106,000		106,000			
183	KGH - Microscope	88,000		88,000			
184	KGH - Image Processing System, Cellavision	61,600		61,600			
185	KGH - Medstations, IH-Wide Infrastructure	55,600		55,600			
187	Community Health Services Centre Leasehold	2,003,200	1,830,305	172,895			
188	CHSC Kelowna - Digital Wayfinding & Room Signage	90,000	32,140	57,860			
Annual Capital Costs for 2017 Projects		91,160,200	75,263,257	4,235,943	1,432,000	1,042,000	0
Projects Planned for 2017							
b	Westside Health Centre	2,000,000		2,000,000			
c	Three Links Manor - Generator Replacement	224,400		224,400			
c	Cottonwoods - Dining Room Renovations	182,000		182,000			
c	Cottonwoods - Domestic Hot Water Boilers	84,000		84,000			
189	KGH - Replace Fire Pumps	76,800		76,800			
190	KGH - MRI/DI Sprinkler Piping Replacement	72,000		72,000			
191	KGH - Cafeteria Redevelopment - Planning	20,000		20,000			
192	KGH - Satellite DI Renovation for Staff Safety	39,600		39,600			
c	David Lloyd Jones Home	36,000		36,000			
193	KGH - Staff Duress, Code White System	36,000		36,000			
c	Cottonwoods - Patio Replacement for Douglas Fir Unit	34,800		34,800			
194	KGH - Emergency Department Renovation - Triage	28,000		28,000			
195	Regional - IMIT Corporate Projects over \$100,000	430,500		430,500			
196	KGH - IMIT - Vocera	80,000		80,000			
197	Regional - IMIT Corporate Projects under \$100,000	217,900		217,900			
c	May Bennett WC - Wireless Infrastructure Expansion	22,000		22,000			
198	KGH - Wireless Infrastructure Refresh	12,000		12,000			
199	KGH - Telehealth Infrastructure Refresh	11,000		11,000			
200	KGH - Medstations, IH-Wide Pyxis Replacement, Ph.2	1,688,400		1,688,400			
201	KGH - Multi Purpose System	717,600		717,600			
202	KGH - General Radiographic system - Digital	387,600		387,600			
c	Three Links Manor - Nurse Call	101,200		101,200			
203	Minor Equipment Grant	4,931,211		954,200	968,513	983,041	1,002,702
	Future Projects estimated by RDCO staff				3,000,000	3,000,000	3,000,000
Annual Capital Costs for Planned Projects		11,433,011	0	7,456,000	3,968,513	3,983,041	4,002,702
TOTAL ANNUAL CAPITAL COSTS		102,593,211	75,263,257	11,691,943	5,400,513	5,025,041	4,002,702

a. Includes Project Reserve. Bylaw is for \$91.347m and IHA revised project total to \$84.69 million. Currently with reduced contingencies, total estimated funding requirement is now \$75.503 million vs \$76.265 million in 2016 (Revised variance from \$8.425 million to \$9.187 million). Budget has been reduced accordingly. Cash flow needs were originally projected to end in 2017, but have now been reduced and extended to 2019.

b. Maximum estimate only. New bylaw will be issued upon receiving additional information from IHA and the Ministry of Health.

c. Staff is following up with IHA to confirm that these facilities are Designated as hospital facilities under the Regional Hospital District Act.