

**CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT**

**BYLAW NO. 1-2019**

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**Being a bylaw to adopt the 2019-2023 Financial Plan**

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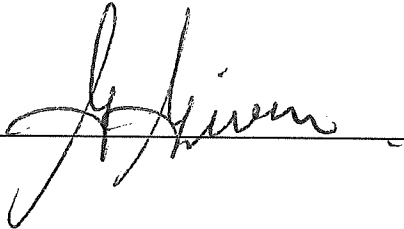
WHEREAS pursuant to Section 23 of the Hospital District Act, the Board is required to adopt its Annual Budget, on or before the 31<sup>st</sup> day of March in each year.

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 2019-2023, 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 "2019-2023 Financial Plan Budget Bylaw No.1-2019".

READ A FIRST TIME THIS	25 <sup>th</sup>	DAY OF	March	2019
READ A SECOND TIME THIS	25 <sup>th</sup>	DAY OF	March	2019
READ A THIRD TIME THIS	25 <sup>th</sup>	DAY OF	March	2019
ADOPTED THIS	25 <sup>th</sup>	DAY OF	March	2019

Chair



Director of Corporate Services



I hereby certify the above bylaw to be a true and correct copy of the 2019-2023 Financial Plan Budget Bylaw No. 1-2019 as adopted by the Board of the Central Okanagan Regional Hospital District at its meeting held on the 25<sup>th</sup> day of March, 2019.

Dated at Kelowna, B.C. this  
25<sup>th</sup> day of March 2019

Director of Corporate Services



# CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

## 2019-2023 FINANCIAL PLAN

### Revised Roll - Final Budget

	2019	2020	2021	2022	2023
	\$	\$	\$	\$	\$
<b>REVENUE &amp; FINANCING:</b>					
<b>Tax Requisition</b>					
City of Kelowna	12,116,019	12,237,029	12,359,400	12,482,994	12,607,824
District of Peachland	453,284	457,811	462,389	467,013	471,683
District of Lake Country	1,149,506	1,160,987	1,172,597	1,184,323	1,196,166
City of West Kelowna	2,659,139	2,685,697	2,712,554	2,739,680	2,767,077
Electoral Area Central Okanagan West	321,659	324,875	328,124	331,405	334,719
Electoral Area Central Okanagan East	290,594	293,500	296,435	299,399	302,393
<b>Total Tax Requisition</b>	<b>16,990,200</b>	<b>17,159,900</b>	<b>17,331,499</b>	<b>17,504,814</b>	<b>17,679,862</b>
Net Cash from New Financing	0 a	0	0	0	0
MFA Actuarial Addition	1,216,643 c	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c
Use of Surplus Cash	6,145,057	0	0	0	0
<b>TOTAL REVENUE</b>	<b>24,351,900</b>	<b>18,586,274</b>	<b>18,976,054</b>	<b>19,375,943</b>	<b>19,786,873</b>
<b>EXPENSES &amp; DEBT PAYMENTS:</b>					
<b>Expenses:</b>					
Administration	38,500	39,000	39,500	40,000	40,500
Audit & Contract Services	9,000	9,250	9,500	9,775	10,050
Principal Debt Reduction re: MFA Actuarial Addition	1,216,643 c	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 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 a	0 a	0 a	0 a	0 a
Temporary Borrowing Interest	50,000	25,000	25,000	25,000	25,000
<b>Total Expenses &amp; Debt Payments</b>	<b>9,867,758</b>	<b>10,053,239</b>	<b>10,272,170</b>	<b>10,499,519</b>	<b>10,736,176</b>
<b>Expenditure Funding Under Section 20(2)</b>					
IHA Minor Capital Improvements and Equipment Funding:	965,300	979,780	994,476	1,014,366	1,034,653
IHA Capital Projects (Pd with Current Budget Funds)	10,420,808 f	3,220,000 f	3,268,300 f	3,317,325	3,367,084
IHA Capital Projects (Pd with New Financing)	0 a	0	0	0	0
Transfer to Reserves	3,098,034 d	4,333,255 d	4,441,108 d	4,544,734 d	4,648,960 d
<b>Total Capital Projects Section 20(2)</b>	<b>14,484,142</b>	<b>8,533,035</b>	<b>8,703,884</b>	<b>8,876,424</b>	<b>9,050,697</b>
<b>TOTAL EXPENDITURE</b>	<b>24,351,900</b>	<b>18,586,274</b>	<b>18,976,054</b>	<b>19,375,943</b>	<b>19,786,873</b>
Year End Reserve Balance (Unrestricted)	(5,550,387) d	(10,161,161) d	(15,110,327) d	(19,957,268) d	(25,005,373) d

**Impact on residential home average assessment \$739,000 in 2019:**

	2019	2020	2021	2022	2023
<b>% Increase per house</b>	<b>0.18%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Annual Tax</b>	<b>183.35</b>	<b>183.35</b>	<b>183.35</b>	<b>183.35</b>	<b>183.35</b>
<b>Residential Tax Rate (cents)</b>	<b>0.2481</b>	<b>0.2481</b>	<b>0.2481</b>	<b>0.2481</b>	<b>0.2481</b>
	b	b	b	b	b,d

- a. No additional debt required.
- 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. First financing renewal/paydown opportunities begin in 2020.
- e. In 2018, the average equivalent house valued at \$693,000 would have paid \$183.02 at a tax rate of \$0.2641/\$1000 of assessment.
- f. IHSC Project: In 2017 IHA advised that construction uncertainties have been removed and contingencies have been 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 has not been reduced. 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. A comparison of budget to actual for 2018 is provided 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.

