

NORTH OKANAGAN/COLUMBIA SHUSWAP REGIONAL HOSPITAL DISTRICT Regular Board Meeting AGENDA

Date: Tuesday, March 27, 2018
Time: 10:00 AM
Location: CSRD Boardroom
555 Harbourfront Drive NE, Salmon Arm

Pages

1. CALL TO ORDER

Charles Hamilton, Secretary, NOCSRHD

2. Election of Chair for 2018

- By Charles Hamilton, Secretary, NOCSRHD

3. Election of Vice-Chair for 2018

- By Charles Hamilton, Secretary, NOCSRHD

4. ADOPTION OF MINUTES

4.1 Adoption of Minutes

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Motion

THAT: the minutes of the October 31, 2017 meeting of the North Okanagan/Columbia Shuswap Regional Hospital District Board be adopted.

4.2 Business Arising from the Minutes

If any.

5. DELEGATIONS

5.1 2017 NOCSRHD Year End Financial Statements

7

- Report attached from the Manager of Financial Services dated March 14, 2018

Ms. Angie Spencer, BDO Canada, attending the meeting to review the financial statements.

Motion

THAT: in accordance with the Local Government Act, the 2017 North Okanagan Columbia Shuswap Regional Hospital District Year End Financial Statements be approved.

5.2 Interior Health 20

- Dan Goughnour, Director, Business Support and Richard Harding, Health Services Administrator, North Okanagan, in attendance.
- Capital Funding Request for the 2018/2019 Fiscal Year (reference agenda item 7.2 Capital Expenditure Bylaw) (refer to Powerpoint)
- Update on Capital Projects (refer to Powerpoint)
- Brought forward from October, 2017 Board meeting: Presentation on Mental Health & Substance Use. Dr. Silvina Mema, Medical Health Officer, will be presenting this topic.

6. CORRESPONDENCE

6.1 BDO Canada 39

Letter from BDO Canada dated November 6, 2017 regarding Planning Report for NOCSRHD 2017 Audit Plan.

Previously circulated via email to Board, December 7, 2017 for information.

6.2 Interior Health 65

Letter from Donna Lommer, VP Support Services & CFO, Interior Health dated February 14, 2018 regarding Capital Funding Request.

and

Letter from Donna Lommer, VP Support Services & CFO, Interior Health dated December 12, 2017 regarding Funding Requirements & Major Capital Projects (Initial Request)

and

NOCSRHD Response to Interior Health regarding December 12, 2017 Capital Funding Request

Reference agenda Item 7.1 Five Year Financial Plan Bylaw Report and 7.2 Capital Expenditure Bylaw Reports.

6.3 Interior Health

83

Letter from Donna Lommer, VP Support Services & CFO, Interior Health, dated February 28, 2018, regarding High Level Funding Estimates and Major Capital Projects.

Motion

THAT: the correspondence contained on the March 27, 2018 North Okanagan/Columbia Shuswap Regional Hospital District Board Agenda be received.

7. BYLAWS**7.1 2018 NOCSRHD Five Year Financial Plan Bylaw No. 70**

86

Report from Jodi Pierce, Manager, Financial Services, dated March 16, 2018.

Motion

THAT: Bylaw No. 70, cited as “2018 North Okanagan/Columbia Shuswap Regional Hospital District Bylaw No. 70”, be read a first, second and third time this 27th day of March, 2018.

Motion

THAT: Bylaw No. 70, cited as “2018 North Okanagan/Columbia Shuswap Regional Hospital District Bylaw No. 70”, be adopted this 27th day of March, 2018.

7.2 2018 NOCSRHD Capital Expenditure Bylaw No. 71

96

Report from Jodi Pierce, Manager, Financial Services, dated March 14, 2018.

Motion

THAT: Bylaw No. 71, cited as “North Okanagan Columbia Shuswap Regional Hospital District Capital Expenditure Bylaw No. 71”, be read a first, second, and third time this 27th day of March, 2018.

Motion

THAT: Bylaw No. 71, cited as “North Okanagan Columbia Shuswap Regional Hospital District Capital Expenditure Bylaw No. 71”, be adopted this 27th day of March, 2018.

8. DATE OF NEXT MEETING**9. ADJOURNMENT****Motion**

THAT: the March 27, 2018 meeting of the North Okanagan/Columbia Shuswap Regional Hospital District Board be adjourned.

NORTH OKANAGAN/COLUMBIA SHUSWAP REGIONAL HOSPITAL DISTRICT

Minutes of a Regular meeting of the North Okanagan/Columbia Shuswap Regional Hospital District Board.

Note: The following minutes are subject to correction when endorsed by the Board at its next
Regular meeting.

Date: October 31, 2017

Time: 10:00 AM

Location: Regional District of North Okanagan, Board Room
9848 Aberdeen Road, Coldstream, BC

Directors Present	R. Martin, Chair	Area E, CSRD
	L. Parker	Area B, CSRD
	P. Demenok	Area C, CSRD
	R. Talbot	Area D, CSRD
	B. Fleming	Area B, RDNO
	R. Fairbairn	Area D, RDNO
	H. Cameron	Area E, RDNO
	H. Halvorson	Area F, RDNO
	T. Rysz	District of Sicamous, CSRD
	K. Flynn	City of Salmon Arm, CSRD
	C. Eliason	City of Salmon Arm, CSRD
	S. Fowler	City of Armstrong, RDNO
	D. Dirk	District of Coldstream, RDNO
	K. Actonon	Village of Lumby, RDNO
	J. Brown	Township of Spallumcheen, RDNO
	A. Mund	City of Vernon, RDNO
	C. Lord	City of Vernon, RDNO
	J. Cunningham	City of Vernon, RDNO
Directors Absent	M. Macnabb	Area C, RDNO
	M. McKee	City of Revelstoke, CSRD
	G. McCune	City of Enderby, RDNO
	B. Quiring	City of Vernon, RDNO

Guests:	D. Goughnour	Interior Health
	Y. Taylor	Interior Health
	R. Harding	Interior Health
Staff	C. Hamilton	Secretary
	L. Shykora	Deputy Mgr., Corporate Admin. Svs. (Recorder)
	J. Pierce	Manager of Financial Svs.

1. **CALL TO ORDER**

The Chair called the meeting to order at 10:00 AM.

2. **ADOPTION OF MINUTES**

2.1 **Adoption of Minutes**

2.1.1 **March 28, 2017 NOCSRHD Regular Board Meeting**

H2017-1001

Moved By Director Cunningham

Seconded By Director Acton

THAT: the minutes of the March 28, 2017 North Okanagan/Columbia Shuswap Regional Hospital District Board meeting be adopted.

CARRIED

2.1.2 **May 16, 2017 NOCSRHD Special Meeting**

H2017-1002

Moved By Director Lord

Seconded By Director Eliason

THAT: the minutes of the May 16, 2017 Special North Okanagan/Columbia Shuswap Regional Hospital District Board Meeting be adopted.

CARRIED

2.2 **Business Arising from the Minutes**

None.

3. DELEGATIONS

3.1 10:00 AM - Interior Health

Dan Goughnour, Director, Business Support; Richard Harding, Health Services Administrator - North Okanagan (Acute); and Yvonne Taylor, Health Services Administrator (Community), attended the meeting to deliver:

- An Update on Capital Projects;
- An Update on some of the major strategies currently taking place in the North Okanagan/Columbia Shuswap region;
- A Powerpoint Presentation.

The Powerpoint presentation informed the Board on:

- Wildfires this 2017 season and the role of Interior Health;
- Population/IH facilities in the North Okanagan and system pressures;
- Utilization of Acute and Residential Services;
- Vernon & Salmon Arm Residential Care Beds (The Hamlet Vernon and the Mount Ida Mews Salmon Arm);
- A message from the Interior Health Chief CEO with the “Shift to Community=Home is Best” message;
- An overview of the Home Health Programs and Services;
- Prevention Promotion at Primary Health Clinics, Nurse Practitioners, Diabetes Education Clinic, Aboriginal Health and Public Health Clinics;
- Primary Care Activities;
- Mental Health Substance Abuse;
- Surgical Wait Times;
- First Nations Health;
- Overdose Response Public Health Emergency – Statistics and OD Prevention, Fatal overdoses and Next steps including ongoing public education and awareness;
- Policies on Health Promotion Portfolio.

Inquiries were posed, responded to by Interior Health representatives, and discussions took place on several topics covered in the presentation.

Interior Health representative Harding indicating that for the next NOCSRHD Board meeting the Mental Health and Substance Abuse staff will attend the meeting with a focus on that topic for the IH presentation. As well, Interior Health will provide an update on key items.

As noted in the Powerpoint presentation, Interior Health representative Goughnour provided a summary on:

- An update on the Polson Tower Project;
- VJH MRI Project Update - on target for December 18 2017 and on budget;
- VJH Psychiatric Inpatient Planning Project Update: still in planning stages; there is not a funding request at this time;
- TELUS Intranet Broadband Expansion: project to better serve and deliver health services in rural areas.

Interior Health staff responded to several questions in relation to the above Capital Projects update.

4. CORRESPONDENCE

4.1 Announcement September 22, 2017 – Changes to IH Board, new Chair and Board Members

Dr. Doug Cochrane appointed as new Chair and Dr. Selena Lawrie as a new Board member.

For information.

4.2 Letter from Donna Lommer, VP Support Services & CFO, Interior Health dated May 11, 2017 Re: 2016-2017 Global Grant Summary

For information.

H2017-1003

Moved By Director Acton

Seconded By Director Dirk

THAT: the correspondence contained on the October 31, 2017 Agenda, be received.

CARRIED

5. REPORTS

5.1 2017 NOCSRHD Financial Update

Report from Jodi Pierce, Manager, Financial Services dated October 24, 2017.

For information only.

H2017-1004

Moved By Director Acton

Seconded By Director Dirk

THAT: the 2017 NOCSRHD Financial Update report dated October 24, 2017, be received.

CARRIED

6. BYLAWS

6.1 Capital Expenditure & Borrowing Amendment Bylaw No. 69

Report from Jodi Pierce, Manager, Financial Services dated October 24, 2017.

H2017-1005

Moved By Director Demenok

Seconded By Director Halvorson

THAT: "North Okanagan Columbia Shuswap Regional Hospital District Capital Expenditure and Borrowing Amendment Bylaw No. 69", be read a first, second and third time this 31st day of October, 2017.

CARRIED

H2017-1006

Moved By Director Cunningham

Seconded By Director Acton

THAT: "North Okanagan Columbia Shuswap Regional Hospital District Capital Expenditure and Borrowing Amendment Bylaw No. 69", be adopted this 31st day of October, 2017.

CARRIED

7. DATE OF NEXT MEETING

10:00 AM, Tuesday, March 27, 2018 (Tentatively scheduled date)
Columbia Shuswap Regional District Board Room, Salmon Arm, BC.

8. ADJOURNMENT

H2017-1007

Moved By Director Parker

Seconded By Director Cameron

THAT: the October 31, 2017 meeting of the North Okanagan/Columbia Shuswap Regional Hospital District Board be adjourned.

CARRIED

SECRETARY

CHAIR

NOCSRHD BOARD REPORT

TO: Chair and Directors

File No: 8900 55

SUBJECT: 2017 NOCSRHD Year-end Financial Statements

DESCRIPTION: Report from Jodi Pierce, Manager, Financial Services dated March 14, 2018.

RECOMMENDATION #1: THAT: in accordance with the Local Government Act, the 2017 NOCSRHD Year-end Financial Statements be approved.

SHORT SUMMARY:

The Canadian Auditing Standard 700 states that “*The auditor’s report shall be dated no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the auditor’s opinion on the financial statements, including evidence that those with the recognized authority have asserted that they have taken responsibility for those financial statements.*”

The attached draft financial statements have been provided to BDO Canada LLP on which to base their audit, and as such are subject to change. If necessary, a final copy of the 2017 NOCSRHD Year End Financial Statements will be distributed to Directors at the beginning of the Board meeting.

Mrs. Angie Spencer, BDO Canada, will review the 2017 Financial Statements at the Board Meeting.

VOTING:

Unweighted
Corporate ☐

Weighted
Corporate ☒

Stakeholder
(Weighted) ☐

POLICY:

The Year-End Financial Statements must be approved as required by section 376(1) of the Local Government Act.

COMMUNICATIONS:

The approved financial statements will be distributed to member Municipalities and various Provincial Ministries no later than June 30, 2018 and also posted on the CSRD website.

DESIRED OUTCOMES:

That the Board approve the 2017 NOCSRHD Year End Financial Statements.

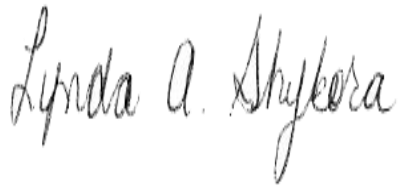
BOARD'S OPTIONS:

1. *Endorse the Recommendation.*
2. *Deny the Recommendation.*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*

Report Approval Details

Document Title:	2018-03-27_NOCSRHD_2017 Financial Statements.docx
Attachments:	- 2017 Draft Financial Statements.pdf
Final Approval Date:	Mar 16, 2018

This report and all of its attachments were approved and signed as outlined below:



Lynda Shykora - Mar 16, 2018 - 1:54 PM



Charles Hamilton - Mar 16, 2018 - 1:56 PM

**North Okanagan
Columbia Shuswap
Regional Hospital District
Financial Statements
For the year ended December 31, 2017**

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North Okanagan Columbia Shuswap Regional Hospital District **Statement of Financial Position**

December 31	2017	2016
Financial assets		
Cash	\$ 204,991	\$ 451,853
Investment funds - Municipal Finance Authority (Note 1)	4,359,756	4,329,466
Accounts receivable	17,439	17,295
Due from member municipalities	747,437	750,246
Deposit and demand notes - MFA (Note 2)	2,969,194	2,949,317
	<u>8,298,817</u>	<u>8,498,177</u>
Liabilities		
Accounts payable	298,213	539,703
Accrued MFA interest payable	747,437	750,246
MFA debt reserve (Note 2)	2,969,194	2,949,317
Temporary borrowing (Note 3 and schedule)	3,494,000	3,054,000
Long-term debt (Note 3 and Schedule)	66,141,886	68,906,865
	<u>73,650,730</u>	<u>76,200,131</u>
Net debt and accumulated deficit	<u>\$ (65,351,912)</u>	<u>\$ (67,701,954)</u>

Treasurer

North Okanagan Columbia Shuswap Regional Hospital District

Statement of Operations

For the year ended December 31

	2017	2016
	Actual	Actual
Revenue		
Requisition on member municipalities		
City of Armstrong	\$ 218,117	\$ 213,880
City of Revelstoke	469,127	466,403
District of Salmon Arm	992,112	955,004
District of Sicamous	219,160	216,605
City of Enderby	113,224	109,362
City of Vernon	2,630,653	2,531,993
District of Coldstream	641,016	618,040
Township of Spallumcheen	277,912	273,159
Village of Lumby	81,164	80,140
Electoral Areas	2,012,353	1,937,624
Little Shuswap Indian Band	53,625	52,676
Adams Lake Indian Band	19,138	18,800
	7,727,601	7,473,686
Payments in lieu of taxes	17,778	20,696
Debt reserve fund refund	579	-
Interest	37,892	31,429
Actuarial adjustments on MFA debt	569,763	463,417
	8,353,613	7,989,229
Expenses		
Administration	72,000	72,055
Audit	7,208	4,830
Director's remuneration	9,050	5,640
Director's travel	2,957	2,028
Project - Vernon Jubilee Hospital	759,332	802,631
Project - Shuswap Lake Hospital	5,106	131,885
Project - Queen Victoria Hospital	235,431	143,534
Project - Regional	23,270	113,436
Equipment - Vernon Jubilee Hospital	460,091	228,338
Equipment - Shuswap Lake Hospital	158,548	92,130
Equipment - Queen Victoria Hospital	7,836	(800)
Equipment - Regional	267,929	155,563
Interest on short-term debt	52,125	38,265
Interest on long-term debt	3,327,700	3,327,700
Staff travel	289	326
Section 20-2 funding - Interior Health Authority	614,700	605,700
	6,003,572	5,723,260
Annual surplus	\$ 2,350,042	\$ 2,265,969

North Okanagan Columbia Shuswap Regional Hospital District
Statement of Change in Net Debt and Accumulated Deficit

<u>For the year ended December 31</u>	<u>2017</u>	<u>2017</u>	<u>2016</u>
	Budget	Actual	Actual
Annual surplus	\$ 218,056	\$ 2,350,042	\$ 2,265,969
Net debt and accumulated deficit, beginning of year	(67,701,954)	(67,701,954)	(69,967,923)
Net debt and accumulated deficit, end of year	\$ (67,483,898)	\$ (65,351,912)	\$ (67,701,954)
Net debt and accumulated deficit represented by:			
Cash and investments		4,564,747	4,781,319
Other current fund		(280,775)	(522,409)
Debt recoverable from future taxation (Note 3)		(69,635,886)	(71,960,865)
Net debt and accumulated deficit, end of year		\$ (65,351,912)	\$ (67,701,954)

North Okanagan Columbia Shuswap Regional Hospital District

Statement of Cash Flows

For the year ended December 31

2017

2016

Operating

Annual surplus	\$ 2,350,042	\$ 2,265,969
Increase in accounts receivable	(144)	(5,733)
Decrease in due from member municipalities	2,809	-
Decrease in accounts payable	(241,490)	(1,538,953)
Increase in accrued interest on long-term debt	(2,809)	-
	2,108,408	721,283

Investing

(Increase) decrease in investment funds	(30,290)	73,640
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Financing

Long-term debt retirement	(2,764,979)	(2,658,634)
Short-term debt issues	440,000	1,888,000
	(2,324,979)	(770,634)

Net change in cash and cash equivalents	(246,861)	24,289
Opening cash and cash equivalents	451,852	427,563
Closing cash and cash equivalents	\$ 204,991	\$ 451,852

North Okanagan Columbia Shuswap Regional Hospital District Summary of Significant Accounting Policies

December 31, 2017

The North Okanagan Columbia Shuswap Regional Hospital District ("Regional Hospital District") is a governing agency for the hospitals in the North Okanagan Columbia Shuswap region and is incorporated under the Hospital District Act. Its principal activities are to finance capital construction projects and capital equipment purchases for health care facilities within the Regional Hospital District.

**Management's
Responsibility for the
Financial Statements and
Basis of Presentation**

The Regional Hospital District financial statements have been prepared by management in accordance with the recommendations of the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants and include all funds belonging to the economic entity of the Regional Hospital District.

Revenue Recognition

The Regional Hospital District does not accrue grants receivable for equipment and construction. Grants are recorded only when received.

Taxation revenues are recognized at the time the property tax requisitions for the fiscal year become receivable.

MFA Debt Reserve

The MFA requires a cash contribution of 1% of the face value of debt when issued. The MFA debt reserve earns interest income and is used to pay expenses of the debt issue. Any remaining balance will be returned to the Regional Hospital District at the maturity of the underlying debt issue.

Use of Estimates

The financial statements of the Regional Hospital District have been prepared by management in accordance with Canadian public sector accounting standards. As such, management is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial estimates have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies identified.

Long-term Debt

Long-term debt is recorded net of any sinking fund balances. Debt service charges, including principal and interest, are charged against current revenue in the period incurred.

North Okanagan Columbia Shuswap Regional Hospital District

Notes to Financial Statements

December 31, 2017

1. Investment Funds

The investments totalling \$4,359,756 (2016 - \$4,329,466) are held under the name of the Columbia Shuswap Regional District. They are held with the Municipal Finance Authority and are invested in money market funds; as such, fair market value is equal to carrying value. The 2017 annual rate of return was .97% (2016 - .79%).

2. MFA Debt Reserve Deposits and Demand Notes

The MFA administers the debenture debt of the Regional Hospital District. As a condition of these borrowings, a portion of the debenture proceeds are withheld as a debt reserve fund. At December 31, 2017, the cash balance in the debt reserve fund was \$1,039,075 (2016 - \$1,019,199). The Regional Hospital District also excludes demand notes in connection with each debenture totalling \$1,930,118 (2016 - \$1,930,118) whereby the Regional Hospital District may be required to loan certain amounts to MFA.

3. Debt Recoverable from Future Taxation

These financial statements only recognize that proportion of the equipment and construction grants that the Regional Hospital District is obligated to finance through future taxation.

Grants to hospitals will be amortized to the extent of the principal payments and the increment in the sinking fund for the related debt. Grants that are fully amortized are removed from accumulated amortization figures.

The debt recoverable from future taxation has been calculated as follows:

	2017	2016
Long-term debt:		
Queen Victoria HCC Residential Care Facility	\$ 1,329,843	\$ 1,329,843
Pleasant Valley Manor fire alarm	3,822,900	3,822,900
Shuswap Lake General Hospital Geothermal heat/cooling	651,399	651,399
Vernon Jubilee Hospital Diagnostic/Treatment building (MFA issue 106)	27,280,235	27,280,235
Vernon Jubilee Hospital Diagnostic/Treatment building (MFA issue 116)	30,586,554	30,586,554
Shuswap Lake General Hospital Phase 1 Renovations	7,480,000	7,480,000
Vernon Jubilee Hospital two additional shelled in floors	10,500,000	10,500,000
Vernon Jubilee Hospital Infrastructure Modifications	1,500,000	1,500,000
Less accumulated amortization (Note 4)	(17,009,045)	(14,244,067)
	66,141,886	68,906,864
Short-term debt:		
Vernon Jubilee Hospital (Inpatient Bed Expansion)	3,054,000	3,054,000
Vernon Jubilee Hospital (MRI)	440,000	-
Debt recoverable from taxation	\$ 69,635,886	\$ 71,960,864

North Okanagan Columbia Shuswap Regional Hospital District **Notes to Financial Statements**

December 31, 2017

4. Accumulated Amortization

The accumulated amortization balance has been calculated as follows:

	2017	2016
Balance - beginning of year	\$ 14,244,066	\$ 11,585,433
Principal payments applied in the year	2,195,216	2,195,216
Actuarial adjustments	569,763	463,417
Balance - end of year	<u>\$ 17,009,045</u>	<u>\$ 14,244,066</u>

5. Budget

The scope of the financial activity reported in the Statement of Operations is not the same as that reported in the Annual Budget. For comparative purposes, actual financial activities have been summarized below in the same manner as was budgeted.

	2017 Actual	2017 Budget
Revenue		
Tax requisition total	\$ 7,654,838	\$ 7,654,838
Other revenue - Agreement - Indian Bands	72,763	71,500
Payments in lieu of taxes	17,778	22,200
Interest	37,892	25,000
Actuarial adjustment on MFA debt	569,763	463,417
	<u>8,353,612</u>	<u>8,236,955</u>
Expenses		
Debt		
Debt - interest and expenses	3,327,700	3,327,700
Interim borrowing interest	52,125	143,275
Administration Expenditures	91,504	87,000
Capital Expenditures		
Capital Projects	638,336	460,000
Capital equipment	242,342	3,694,400
Global Grant < \$ 100,000	614,700	614,700
Capital Equip/Projects - carried forward from prior year	1,036,865	4,047,347
	<u>6,003,572</u>	<u>12,374,422</u>
Annual Surplus	<u>2,350,041</u>	<u>(4,137,467)</u>
plus:		
Transfer (to) from accumulated deficit	(25,062)	1,456,400
Proceeds from issue of debt	440,000	5,339,700
Debt - principal	(2,195,216)	(2,195,216)
less:		
Actuarial adjustment	(569,763)	(463,417)
Financial Plan Balance	<u>\$ (0)</u>	<u>\$ 0</u>

North Okanagan Columbia Shuswap Regional Hospital District **Notes to Financial Statements**

December 31, 2017

6. Commitments

- a) The Hospital District has committed to the following expenditures which have been approved by the Interior Health Authority and the Regional Hospital District Board and are to be financed from reserve funds:

		Total	Unexpended
Vernon Jubilee Hospital	Diagnostic Imaging Redesign (planning)	\$ 60,000	\$ 60,000
	Inpatient Psychiatry Redevelopment (planning)	60,000	43,442
	Chemistry Analyzer	58,000	58,000
	Table, Surgery	57,600	57,600
	Chillers in South Tower	480,000	22,626
	Multipurpose System	470,000	32,084
	General Radiographic System	246,800	42,695
	Laser, CO2	78,000	78,000
	HVAC Upgrade	240,000	240,000
	Wireless Infrastructure Expansion	8,000	8,000
	Integrated Chemistry/Immunochemistry Analyzer	70,800	70,800
	Hematology Analyzer	68,000	68,000
Shuswap Lake Hospital (Salmon Arm)	Radiologist Diagnostic Monitor Replacement	17,000	795
	General Radiographic System	218,800	10,796
	C-Arm	106,000	106,000
	Sterilizer - Low Temp VHP	63,600	63,600
Queen Victoria Hospital (Revelstoke)	Replace Isolation Transformers	120,000	16,540
	Wireless Infrastructure Refresh	8,000	164
	Helipad	186,000	61,022
	Video Conferencing Refresh	12,000	12,000
Regional	Various Facilities - Forms on Demand and Patient ID	114,400	11,840
	VJH/SLGH - Medistations, IH Wide Infrastructure	32,000	4,508
	Parkview Place - Vocera Expansion	28,000	1,251
	Pleasant Valley Health Centre - Laser/Retinal Fibre Optic	48,800	48,800
	Parking Lot Upgrades	34,000	10,730
	Corporate Projects over \$100K	273,800	147,549
	Specialized Surgical Services	42,800	24,443
	Corporate Projects under \$100K	138,600	52,614
	Wireless Infrastructure Expansion	16,000	16,000
	Telehealth Expansion	13,300	13,300
	Telehealth Infrastructure Expansion	12,000	252
	Wireless Infrastructure Expansion	6,000	6,000
	Cooler/Freezer, Walk In	54,000	54,000
	Resident Bus	46,800	46,800
		\$ 2,851,800	\$ 1,490,252

- b) The Hospital District has committed to the following expenditure which has been approved by the Interior Health Authority and the Regional Hospital District Board and to be financed through a borrowing bylaw:

		Total	Unexpended
Vernon Jubilee Hospital	- Polson Tower Completion (Bylaw 58)	\$ 5,525,000	\$ 2,320,501
Vernon Jubilee Hospital	- MRI (Bylaw 68)	2,840,000	2,349,912
		\$ 8,365,000	\$ 4,670,413

North Okanagan Columbia Shuswap Regional Hospital District Schedule of Debt

For the year ended December 31,

Short-term Debt

Security Issuing Bylaw	Rate	2017 Net Debt	2016 Net Debt
58	1.94%	\$ 3,054,000	\$ 3,054,000
68	1.94%	440,000	\$ -
		3,494,000	\$ 3,054,000

Interest on short-term debt is paid monthly. There are no specific terms of repayment. Interest is a variable rate through the Municipal Finance Authority. Repayment of short-term debt is either by cash payment at the completion of the project or by conversion to long term debt. The interim financing for bylaw 58 will be converted to long term debt in the earliest available debt issue after completion of the project anticipated to be fall 2018. The interim financing for bylaw 68 will be converted to long term debt in the earliest available debt issue after completion of the project anticipated to be spring 2019.

Long-term Debt

Security Issuing Bylaw	Maturity Date	Rate	Original Debt Amount	2017 Net Debt	2016 Net Debt
27	2022	4.82%	\$ 1,329,843	\$ 532,472	\$ 626,999
32	2029	4.13%	3,822,900	2,639,981	2,808,920
38	2035	3.73%	7,480,000	6,061,391	6,288,655
43	2019	4.13%	651,399	151,475	222,872
45/106	2034	4.13%	27,280,235	21,244,438	22,106,442
45/116	2036	4.20%	30,586,554	25,715,010	26,608,573
46	2036	3.25%	10,500,000	8,827,657	9,134,406
44	2023	3.15%	1,500,000	969,462	1,109,998
			\$ 83,150,931	\$ 66,141,886	\$ 68,906,865

Principal payments, actuarial adjustments and interest obligations for the next five years and thereafter:

Year	Principal & Actuarial Adj	Interest
2018	2,875,578	3,327,700
2019	2,990,601	3,327,700
2020	3,029,913	3,300,797
2021	3,151,110	3,300,797
2022	3,277,154	3,300,797
Thereafter	50,817,531	40,396,038
Totals	\$ 66,141,886	\$ 56,953,830

Interest is calculated on a semi-annual basis and is based on the original debt amount. An actuarial adjustment is recorded to adjust the outstanding loan balance to actual.

Interior Health Program Update

Presentation to North Okanagan Columbia Shuswap RHD

Yvonne Taylor

Health Services Administrator North Okanagan Community



Interior Health
Every person matters

Opportunities Continue

- * Reduce facility-based utilization by shifting care to the community and improve access to primary care
- * Further investment in Mental Health and Substance Use (MHSU) to reduce readmission rates
- * Continued focus on access and flow through our hospitals to reduce Alternate Level of Care (ALC) rates

Primary Care & Community Care

- * Working in partnership with the Collaborative Services Committee (CSC) & Shuswap North Okanagan Division of Family Practice
 - * Salmon Arm Seniors Health and Wellness Clinic
 - * Vernon Main Street Clinic
- * Working in partnership with Revelstoke Chapter, Rural Remove Division of Family Practice
 - * Revelstoke Seniors Health and Wellness Clinic

Questions?



Interior Health
Every person matters

Interior Health Capital Update & 2018/19 Funding Request

Presentation to North Okanagan Columbia Shuswap RHD

Dan Goughnour

Director Business Support

March 27, 2018



Interior Health
Every person matters

Major Capital Projects Update

Project Name/Phase Name	% Complete Status			Substantial Complete Date (Mth/Yr)	Total Complete Date (Mth/Yr)	On Time	On Budget	Other Issues	Project Budget	Actual Cost (as of Jan 18)
	Program	Design	Const.							
QVH Helipad	100%	100%	92%	Jan-18	May-18	Y	Y	N	\$ 547,095	\$ 414,248
VJH MI Redesign Planning	100%	N/A	N/A	Aug-16	Mar-17	Y	Y	N	\$ 150,000	\$ 69,142
VJH Inpatient Psychiatry Redevelopment Planning	100%	N/A	N/A	Aug-16	Mar-17	Y	Y	N	\$ 150,000	\$ 41,395
VJH General Radiographic System	N/A	100%	100%	Jul-17	Oct-17	Y	Y	N	\$ 617,000	\$ 511,151
BSP Walk-In Cooler/Freezer	N/A	100%	0%	Apr-18	May-18	Y	Y	N	\$ 135,000	\$ 7
SLH Sterilizer - Low Temperature VHP	N/A	N/A	0%	Feb-18	Mar-18	Y	Y	N	\$ 159,000	-
VJH Integrated Chemistry/Immunochemistry Analyzer	0%	0%	0%	May-18	Jul-18	Y	Y	N	\$ 322,000	-
VJH HVAC Upgrade	N/A	10%	0%	Mar-18	May-18	Y	Y	N	\$ 600,000	\$ 1,380
VJH MRI	100%	75%	0%	Mar-19	Sep-19	Y	Y	N	\$ 7,100,000	\$ 1,225,902

Major Capital Projects Update - Highlights

* **QVH Helipad**

- * Project nearing completion
- * Transport Canada certification remaining
- * Once approved, can begin accepting aircraft at hospital

* **VJH MRI**

- * Project progressing on track
- * Continuing to monitor costs and risk of escalation as renovations proceed
- * At this point, no concerns to report

2018/19 Capital Funding Request

Full list included in agenda package – highlights include:

- * **Shuswap Lake General Hospital Medstations replacement**

- * replace all Pyxis 3500 drug dispensing units with Omnicell G4 platform

- * **Queen Victoria Hospital Anesthesia Machine replacement**

- * Replacing 2007 model at end of service

- * **Shuswap Lake General Hospital Emergency Department Electronic Medical Summary**

- * Eliminate paper-based documentation in Emergency Department
- * Interface with family physician electronic medical record

2018/19 Capital Funding Request

- * **Regional** – Various IMIT Initiatives
 - * Advance the IH digital platform and associated infrastructure to support primary and community care transformation
 - * Linking providers and facilitating enhanced team-based care
 - * Extending MyHealthPortal features and capabilities
 - * Cost impact distributed based on PEOPLE 2017 BC Population statistics. NOCSRHD share = 17%

Looking Forward – Funding Estimates

Anticipated Funding from Ministry of Health to Interior Health	2018/19	2019/20	2020/21	Three-year Total
(millions)	(notional)	(notional)	(notional)	(notional)
Available Funding for planning purposes only	\$ 28.0	\$ 29.6	\$ 32.0	\$ 89.6

North Okanagan Columbia Shuswap (NOCS)	2018/19	2019/20	2020/21	Three-year Total
(millions)		(notional)	(notional)	(notional)
Total of all Capital Requests Identified for the next three years				\$ 119.0
Approximate Funding from all Sources for NOCS (Ministry, RHD, Equity, Foundation, etc.)	\$ 6.8	\$ 10.0	\$ 7.5	\$ 24.3
Anticipated Regional Hospital District Funding Requirements for planning purposes only	\$ 2.7	\$ 4.0	\$ 3.0	\$ 9.7

- * Top line is IH total notional capital funding amount from MoH
- * Use for planning, but not confirmed
- * Final amounts depend on capital funding provided to MoH out of provincial budget
- * Estimates quite volatile and used for planning purposes only

Looking Forward – Funding Estimates

<i>Anticipated Funding from Ministry of Health to Interior Health</i> (millions)	2018/19 (notional)	2019/20 (notional)	2020/21 (notional)	Three-year Total (notional)
<i>Available Funding for planning purposes only</i>	\$ 28.0	\$ 29.6	\$ 32.0	\$ 89.6

<i>North Okanagan Columbia Shuswap (NOCS)</i> (millions)	2018/19 (notional)	2019/20 (notional)	2020/21 (notional)	Three-year Total (notional)
<i>Total of all Capital Requests Identified for the next three years</i>				\$ 119.0
<i>Approximate Funding from all Sources for NOCS (Ministry, RHD, Equity, Foundation, etc.)</i>	\$ 6.8	\$ 10.0	\$ 7.5	\$ 24.3
<i>Anticipated Regional Hospital District Funding Requirements for planning purposes only</i>	\$ 2.7	\$ 4.0	\$ 3.0	\$ 9.7

- * Bottom section specific to NOCSRHD
- * Three year total of **ALL** requests is \$119M
 - * Greater than total estimated MoH funding for all of IH
- * Based on historical allocations of funding from all sources, estimate of \$24.3M would be funded (20%)
- * Anticipated RHD funding \$9.7M over three years
- * Includes **Routine Capital Investments Only**

Looking Forward – Priority Investments

- * Major projects that require MoH approval – granted outside regular capital budget cycle (ex.VJH MRI)
 - * Construction projects over \$2M that are driven by the program, rather than infrastructure needs
 - * New Information Management Information Technology projects over \$5M
 - * New major diagnostic equipment regardless of value
- * Split into “A” and “B” Priorities
 - * “B” items considered lower priority, but can escalate if urgency of need increases
- * *Full listing included in agenda package*

Looking Forward – VJH Inpatient Psychiatry

- * Discussion around VJH Inpatient Psychiatry picking up steam
- * Currently reviewing several options for redevelopment
- * Will be presenting to IH board on recommended development approach
- * Upon approval, IH will formally request MoH approval to prepare a Business Plan
- * Business Plan will,
 - * Refine sizing of the new inpatient unit
 - * Determine if any co-location of other appropriate service
 - * Detailed costing
 - * Procurement recommendation

Construction Cost Escalation

- * **Cost escalation** – changes in cost or price of specific goods or services in a given economy over a period



Escalation Key Drivers/Takeaways

- * Drivers:

- * Disasters (hurricanes, floods, fires)
- * Trade Scarcity
- * Exchange Rate

- * Takeaways:

- * Cost estimates for IH projects assume some level of escalation, but difficult to be 100% accurate
 - * Risk of exceeding budget
 - * Options are to secure additional funding or make modifications to original plans
- * History tells us there will be a correction
- * Correlation between volatility and location

Follow-Up from Previous Meeting

- * VJH MRI – managing cost fluctuations
 - * 10% contingency on cost of construction
 - * Inflation impact – difficult to build into contingency
 - * Negotiate with vendor to provide inflation relief
 - * Inflation driven budget pressure, look at changes to equipment options, space design, etc.
 - * Reduce costs on projects rather than spend to budget
 - * Spending project surpluses require approval from Ministry and funding partners

Follow-Up from Previous Meeting

- * TELUS connectivity in rural areas
 - * Cellphone service – Highway 6
 - * IH doesn't have jurisdiction, so unfortunately can't speak to TELUS' plans to improve
 - * Enhanced Broadband Expansion
 - * TELUS has been conducting due diligence with Federal Ministry of Innovation, Science and Economic Development
 - * Latest round of work resulted in TELUS to increase its commitment by \$28M in total across proposals
 - * Increase targeted for “partially served” communities
 - * No commitment yet from Federal Ministry, but continuing to work through process

Questions?



Interior Health
Every person matters

Thank you for your continued
support!



Interior Health
Every person matters



North Okanagan Columbia Shuswap Regional Hospital District

Planning Report to the Board of Directors
November 6, 2017



Tel: 250 832 7171
Fax: 250 832 2429
www.bdo.ca

BDO Canada LLP
571 6th Street NE, Suite 201
Salmon Arm BC V1E 1R6 Canada

November 6, 2017

Board of Directors
North Okanagan Columbia Shuswap Regional Hospital District

Dear Board of Directors:

We are pleased to present our audit plan for the audit of the consolidated financial statements of North Okanagan Columbia Shuswap Regional Hospital District the "Regional Hospital District" for the year ending December 31, 2017.

Our report is designed to highlight and explain key issues which we believe to be relevant to the audit including audit risks, the nature, extent and timing of our audit work and the terms of our engagement. The audit planning report forms a significant part of our overall communication strategy with the Board of Directors and is designed to promote effective two-way communication throughout the audit process. It is important that we maintain effective two-way communication with the Board of Directors throughout the entire audit process so that we may both share timely information. We will communicate only those matters of governance interest that come to our attention as a result of the performance of the audit. We are not required to design audit procedures for the specific purpose of identifying matters of governance interest. The audit process will conclude with a Board of Directors meeting and the preparation of our final report to the Board of Directors.

This report has been prepared solely for the use of the Board of Directors and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

The Board of Directors plays an important part in the audit planning process and we look forward to meeting with you to discuss our audit plan as well as any other matters that you consider appropriate.

Yours truly,

A handwritten signature in black ink that reads "Angie Spencer". The signature is written in a cursive style with a checkmark at the end.

Angie Spencer, CPA, CA
Partner
BDO Canada LLP
Chartered Professional Accountants



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TERMS OF REFERENCE

Our overall responsibility is to form and express an opinion on the financial statements. These financial statements are prepared by management, with oversight by those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities. The scope of our work, as confirmed in our engagement letter (as set out in Appendix A), and a summary of our proposed fees are set out below.

ENGAGEMENT OBJECTIVES

- Forming and expressing an audit opinion on the consolidated financial statements.
- Present significant findings to the Board of Directors including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work.
- Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit.
- Work with management towards the timely issuance of consolidated financial statements.

INDEPENDENCE

At the core of the provision of external audit services is the concept of independence. Canadian generally accepted auditing standards require us to communicate to the Board of Directors at least annually, all relationships between BDO Canada LLP and its related entities and North Okanagan Columbia Shuswap Regional Hospital District and its related entities, that, in our professional judgment, may reasonably be thought to bear on our independence for the forthcoming audit of the Regional Hospital District. Refer to Appendix B.



AUDIT TEAM

In order to ensure effective communication between the Board of Directors and BDO Canada LLP, the contact details of the engagement team are outlined below.

Name	Role	Phone number	Email address
Angie Spencer, CPA, CA	Engagement Partner	250-832-7171 Ext. 5575	aspencer@bdo.ca
Mike Boven, CPA, CA	Specialty and Commodity Tax Partner	250-492-6020 Ext. 6001	mboven@bdo.ca
Jessica Wan, CPA, CA	Assurance Manager	250-832-7171 Ext. 5577	jwanchunwah@bdo.ca
Bianca Dewitt	Assurance Audit Senior	250-832-7171 Ext. 5560	bdewitt@bdo.ca
Emily Ready	Assurance Audit Staff	250-832-7171 Ext. 5576	eready@bdo.ca



RESPONSIBILITIES

It is important for the Board of Directors to understand the responsibilities that rest with the Regional Hospital District and its management, those that rest with the external auditor and the responsibilities of those charged with governance. BDO's responsibilities are outlined within the annual engagement letter attached as Appendix A to this letter. The oversight and financial reporting responsibilities of management and the Board of Directors are summarized below.

MANAGEMENT'S RESPONSIBILITIES

- Maintain adequate accounting records and maintain an appropriate system of internal control for the Regional Hospital District.
- Select and consistently apply appropriate accounting policies.
- Prepare the annual consolidated financial statements.
- Safeguard the Regional Hospital District's assets and take reasonable steps for the prevention and detection of fraud and other irregularities.
- Make available to us, as and when required, all of the Regional Hospital District's accounting records and related financial information.

BOARD OF DIRECTORS' RESPONSIBILITIES

- Oversee the work of the external auditor engaged for the purpose of issuing an independent auditor's report.
- Facilitate the resolution of disagreements between management and the external auditor regarding financial reporting matters.
- Pre-approve all non-audit services to be provided to the Regional Hospital District or its subsidiaries by the external auditor.
- Review the consolidated financial statements before the Regional Hospital District publicly discloses this information.

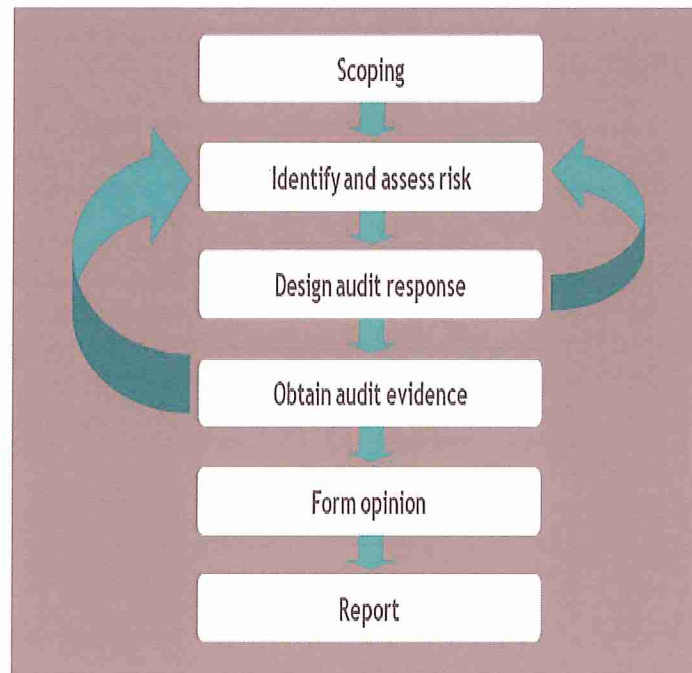
AUDIT STRATEGY

Our overall audit strategy involves extensive partner and manager involvement in all aspects of the planning and execution of the audit and is based on our overall understanding of the Regional Hospital District.

We will perform a risk based audit which allows us to focus our audit effort on higher risk areas and other areas of concern for management and the Board of Directors.

To assess risk accurately, we need to gain a detailed understanding of the Regional Hospital District's business and the environment it operates in. This allows us to identify, assess and respond to the risks of material misstatement.

To identify, assess and respond to risk, we obtain an understanding of the system of internal control in place in order to consider the adequacy of these controls as a basis for the preparation of the consolidated financial statements, to determine whether adequate accounting records have been maintained and to assess the adequacy of these controls and records as a basis upon which to design and undertake our audit testing.



Based on our risk assessment, we design an appropriate audit strategy to obtain sufficient assurance to enable us to report on the consolidated financial statements.

We choose audit procedures that we believe are the most effective and efficient to reduce audit risk to an acceptable low level. The procedures are a combination of testing the operating effectiveness of internal controls, substantive analytical procedures and other tests of detailed transactions.

Having planned our audit, we will perform audit procedures, maintaining an appropriate degree of professional skepticism, in order to collect evidence to support our audit opinion.



MATERIALITY

Misstatements, including omitted financial statement disclosures, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances and include an assessment of both quantitative and qualitative factors and can be affected by the size or nature of a misstatement, or a combination of both.

For purposes of our audit, we have set preliminary materiality at \$134,000 for the Regional Hospital District.

Our materiality calculation is based on the Regional Hospital District's preliminary results. In the event that actual results vary significantly from those used to calculate preliminary materiality, we will communicate these changes to the Board of Directors as part of our year end communication.

We will communicate all corrected and uncorrected misstatements identified during our audit to the Board of Directors, other than those which we determine to be "clearly trivial". Misstatements are considered to be clearly trivial for purposes of the audit when they are inconsequential both individually and in aggregate.

We encourage management to correct any misstatements identified throughout the audit process.



RISKS AND PLANNED AUDIT RESPONSES

Based on our knowledge of the Regional Hospital District's business, our past experience, and knowledge gained from management and the Board of Directors, we have identified the following significant risks; those risks of material misstatement that, in our judgment, require special audit consideration.

Significant risks arise mainly because of the complexity of the accounting rules, the extent of estimation and judgment involved in the valuation of these financial statement areas, and the existence of new accounting pronouncements that affect them. We request your input on the following significant risks and whether there are any other areas of concern that the Board of Directors has identified.

Revenue Recognition

Significant Risk	Approach
<ul style="list-style-type: none"> CAS 240.26 states the auditor shall presume that there are risks of fraud in revenue recognition. Per CAS 240.A28, material misstatement due to fraudulent financial reporting relating to revenue recognition often results from an overstatement of revenues through or recording fictitious revenues. It may result also from an understatement of revenues. 	<ul style="list-style-type: none"> Review of controls in place for recording revenue. Review revenue recognition policy for consistency with the professional standards.

Risk of Management Override of Controls

Significant Risk	Approach
<ul style="list-style-type: none"> Per Canadian Auditing Standard 240, "the auditor's responsibilities relating to fraud in an audit of financial statements," irrespective of our assessment of the risk of management control override, audit procedures must be performed to address the risk. 	<ul style="list-style-type: none"> Utilize computer-assisted audit techniques to analyze manual journal entries and unusual transactions. Review significant accounting estimates for potential biases.



FRAUD DISCUSSION

Canadian generally accepted auditing standards require us to discuss fraud risk with the Board of Directors on an annual basis. We have prepared the following comments to facilitate this discussion.

Required Discussion	BDO Response	Question to Board of Directors
Details of existing oversight processes with regards to fraud.	Through our planning process, and based on prior years' audits, we have developed an understanding of your oversight processes including: <ul style="list-style-type: none"> • Board of Directors charters; • Discussions at Board of Directors meetings and our attendance at those meetings; • Review of related party transactions; and • Consideration of tone at the top 	Are there any new processes or changes in existing processes relating to fraud that we should be aware of?
Knowledge of actual, suspected or alleged fraud.	Currently, we are not aware of any fraud.	Are you aware of any instances of actual, suspected or alleged fraud affecting the Regional Hospital District?

AUDITORS' RESPONSIBILITIES FOR DETECTING FRAUD

We are responsible for planning and performing the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatements, whether caused by error or fraud, by:

- Identifying and assessing the risks of material misstatement due to fraud;
- Obtaining sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- Responding appropriately to fraud or suspected fraud identified during the audit.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error because fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it.

During the audit, we will perform risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the entity's internal control, to obtain



information for use in identifying the risks of material misstatement due to fraud and will make inquiries of management regarding:

- Management's assessment of the risk that the consolidated financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- Management's process for identifying and responding to the risks of fraud in the entity, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
- Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the entity; and
- Management's communication, if any, to employees regarding its view on business practices and ethical behaviour.

In response to our risk assessment and our inquiries of management, we will perform procedures to address the assessed risks, which may include:

- Inquire of management, the Board of Directors, and others related to any knowledge of fraud, suspected fraud or alleged fraud;
- Perform disaggregated analytical procedures and consider unusual or unexpected relationships identified in the planning of our audit;
- Incorporate an element of unpredictability in the selection of the nature, timing and extent of our audit procedures; and
- Perform additional required procedures to address the risk of management's override of controls including:
 - Testing internal controls designed to prevent and detect fraud;
 - Testing the appropriateness of a sample of adjusting journal entries and other adjustments for evidence of the possibility of material misstatement due to fraud;
 - Reviewing accounting estimates for biases that could result in material misstatements due to fraud, including a retrospective review of significant prior years' estimates; and
 - Evaluating the business rationale for significant unusual transactions.



BDO RESOURCES

BDO is one of Canada's largest accounting services firms providing assurance and accounting, taxation, financial advisory, risk advisory, financial recovery and consulting services to a variety of publicly traded and privately held companies.

BDO serves its clients through 105 offices across Canada. As a member firm of BDO International Limited, BDO serves its multinational clients through a global network of over 1,000 offices in more than 100 countries. Commitment to knowledge and best practice sharing ensures that expertise is easily shared across our global network and common methodologies and information technology ensures efficient and effective service delivery to our clients.

Outlined below is a summary of certain BDO resources which may be of interest to the Board of Directors.

PUBLICATIONS

BDO's national and international accounting and assurance department issues publications on the application of Public Sector Accounting Standards (PSAS).

For additional information on PSAS, including links to archived publications and model financial statements, please refer to the following link:
<https://www.bdo.ca/en-ca/services/assurance-and-accounting/a-a-knowledge-centre/psas/>

TAX BULLETINS, ALERTS AND NEWSLETTERS

BDO's national tax department issues a number of bulletins, alerts and newsletters relating to corporate federal, personal, commodity, transfer pricing and international tax matters.

For additional information on tax matters and links to archived tax publications, please refer to the following link:
<https://www.bdo.ca/en-ca/services/tax/>



APPENDIX A Engagement Letter



Tel: 250 832 7171
 Fax: 250 832 2429
 www.bdo.ca

BDO Canada LLP
 571 6th Street NE, Suite 201
 Salmon Arm BC V1E 1R6 Canada

November 6, 2017

North Okanagan Columbia Shuswap Regional Hospital District
 Box 978
 Salmon Arm, BC V1E 4P1

Dear Sir/Madam,

We understand that you wish for us to continue as the auditors of North Okanagan Columbia Shuswap Regional Hospital District for its fiscal year ended December 31, 2017 and subsequent years.

We are pleased to continue as your auditors subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Angie Spencer, CPA, CA will be the Engagement Partner for all assurance work we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of Services.

Our Role as Auditors

We will conduct our audit(s) in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements prepared in accordance with Canadian public sector accounting standards are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall financial statement presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, whether by fraud or error, may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to your preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal controls. However, we will communicate to you concerning any significant deficiencies in internal controls relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate matters required by professional standards, to the extent that such matters come to our attention, to you, those charged with governance and/or the board of directors.

Reporting

Our audit will be conducted on the basis that the financial statements have been prepared in accordance with Canadian public sector accounting standards.

Our independent auditor's report will be substantially in the form set out in Canadian Auditing Standard (CAS) 700. The form and content of our report may need to be amended in the light of our audit findings. If we are unable to issue or decline to issue an audit report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

Role of Management and Those Charged with Governance

You acknowledge and understand that you have responsibility for:

- (a) the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The audit of the financial statements does not relieve you of your responsibilities;
- (b) such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- (c) providing us with:
 - access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that we may request for the purpose of the audit;
 - unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence;
 - financial and non-financial information (other information) that will be included in document(s) containing financial statements and our audit report thereon prior to the date of our auditor's report. If it is not possible to provide all the other information prior to the date of our auditor's report, you are responsible for provision of such other information as soon as practicable; and
 - written confirmation concerning representations made to us in connection with the audit. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim an audit opinion.

Communication with the Securities Regulators

If the financial statements, supporting schedules and our audit thereon are included in a document required by securities legislation, they may be subject to review and comment by the staff of a securities regulator and to their interpretation of the applicable rules and regulations. This may involve discussions and communications with them, and/or the submission of supplemental data in connection with their review. You agree to inform us of any discussion, communication or submission, which may have bearing on the financial statements, schedules and other financial data in the filings and furnish us with copies of related written communications. If we are involved in such communications with the staff of a securities regulator, we will inform you and provide you with copies of the relevant communications.

Financial Statement Services

We will obtain your approval, if during the course of our engagement we:

- (a) prepare or change a journal entry; or
- (b) prepare or change an account code or a classification for a transaction.

As agreed, we will provide assistance in the preparation of the financial statements.

These services create a threat to our independence. We, therefore, require that the following safeguards be put into place:

- (a) that you create the source data for all accounting entries;
- (b) that you develop any underlying assumptions for the accounting treatment and measurement of entries; and
- (c) that you review and approve the draft financial statements, including the notes to the financial statements.

Tax Services

Our audit is conducted primarily to enable us to express an opinion on the financial statements. The audit process is not designed to provide us with a full understanding of your tax situation and in particular, to allow us to determine whether the entity has specific tax compliance issues. We understand that you are not looking to BDO to provide you with any guidance or advice in regard to tax planning or compliance.

Additional Services

We are available to provide a wide range of services beyond those outlined in this Agreement. To the extent that any additional services that we provide to you that are not provided under a separate written engagement agreement, the provisions of this Agreement will apply to the services.

Standard Terms and Conditions

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. The Standard Terms and Conditions include clauses that limit our professional liability.

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.

It is a pleasure for us to be of service and we look forward to many future years of association with you.

Yours truly,

Chartered Professional Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

Signature

Position

Name (please print)

Date

Signature

Position

Name (please print)

Date

Appendix 1 - Standard Terms and Conditions

1. Overview and Interpretation

- 1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services. To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

- 1.2 In this agreement, the following words and expressions have the meanings set out below:

This Agreement - these Standard Terms and Conditions, the letter to which they are attached, and any supporting schedules or other appendices to the letter

Services - the services provided or to be provided under this Agreement

We, us, our, BDO - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario

You, your - the party or parties contracting with BDO under this agreement, including the party's or parties' management and those charged with corporate governance. You and your does not include BDO, its affiliates or BDO Member Firms

BDO Member Firm or Firms - any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

Confidential Information - information that contains identifying features that can be attributed to you or individual personnel

2. BDO Network and Sole Recourse

- 2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.
- 2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.
- 2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above as if they were a party to this agreement.

3. Respective Responsibilities

- 3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.

- 3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

4. Working Papers and Deliverables

- 4.1 **Ownership** - Any documents prepared by us or for us in connection with Services belong solely to us.
- 4.2 **Oral advice and draft deliverables** - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.
- 4.3 **Translated documents** - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.
- 4.4 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any third party other than you and any party to whom the assurance report is addressed. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.
- 4.5 **Consent to use the Report** - If we are requested to consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document, we will consider, at the relevant time, providing consent and any conditions applicable to our consent. Our consent must be in writing. In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information is materially inconsistent with the related financial statements. We will require adequate notice of the request for consent to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost.

5. Confidentiality

- 5.1 We agree to use Confidential Information provided by you only in relation to the services in connection with which the information is provided and we will not disclose the information, except where required by law, regulation or professional obligation. We may, however, give Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services.
- 5.2 BDO shall be entitled to include a description of services we render to or for you in marketing and research materials and disclose such information to third parties, provided that all such information will be made anonymous and not associated with you. Additionally, we may analyze information on an industry or sector basis for internal purposes or to provide industry/sector wide information to our clients or potential clients. You consent to our using information obtained from you in this way provided that the outputs therefrom will not contain any identifying features that can be attributed to you.

6. Independence

- 6.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our services. We will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence. Further, we will confirm our independence in writing.

7. Offers of Employment

- 7.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.

8. Professional and Regulatory Oversight

- 8.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.
- 8.2 Certain regulatory bodies may also have the right to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law, we will advise you of any such investigation request or order prior to providing our working papers.
- 8.3 You agree to reimburse us for our time and expenses, including reasonable legal fees, incurred in responding to any investigation that is requested or authorized by you or investigations of you undertaken under government regulation or authority, court order or other legal process.

9. Privacy and Consents

- 9.1 You agree we will have access to all personal information in your custody that we require to complete our engagement. We may collect, use, transfer, store, or process such information disclosed by you of a personal nature (personal information). Our Services are provided on the understanding that:
- (a) you have obtained any consents for collection, use and disclosure to us of personal information required under all applicable privacy legislation; and
 - (b) we will hold all personal information in compliance with our Privacy Statement.

10. Electronic Communications

- 10.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss

of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.

- 10.2 By signing this agreement, you provide BDO with express consent to communicate with you and your employees, as applicable, electronically, including sending BDO newsletters, publications, announcements, invitations and other news and alerts that may be of interest to you. You and your employees may withdraw such consent at any time by contacting BDO at www.bdo.ca/unsubscribe.

11. Limitation of Liability

- 11.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator as a result of the dispute resolution procedures, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.
- 11.2 Our liability shall be restricted to damages of a direct and compensatory nature and shall not include indirect, consequential, aggravated or punitive damages, or damages for loss of profits or expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 11.3 You agree that BDO shall in no event be liable to you for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the Services performed hereunder for an aggregate amount of more than the higher of:
- (a) three times the fees paid by you to BDO in the twelve months preceding the incident giving rise to the claim; and
 - (b) \$25,000.
- 11.4 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 11.5 You agree claims or actions relating to the delivery of Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.

12. Indemnity

- 12.1 To the fullest extent permitted by applicable law and professional regulations, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:
- (a) a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest;

- (b) the services performed by BDO pursuant to this Agreement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the gross negligence of BDO. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by you, failing which, the matter may be referred to dispute resolution in accordance with the terms of this letter.

13. Alternative Dispute Resolution

- 13.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this agreement or the Services provided hereunder through good faith negotiations.
- 13.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation pursuant to the National Mediation rules of the ADR Institute of Canada Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as the parties mutually agree upon shall be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada Inc. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the National Arbitration Rules.

14. Limitation Period

- 14.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.
- 14.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than two years after the completion of the Services under this Agreement.
- 14.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

15. Québec Personnel

- 15.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. The provisions in Sections 11 (Limitation of Liability) and 14 (Limitation Period) shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

16. Termination

- 16.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).
- 16.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

17. Fees and Billings

- 17.1 Our estimated fee is based on an assumed level of quality of your accounting records, the agreed upon level of preparation and assistance from your personnel and adherence to the agreed-upon timetable. Our estimated fee also assumes that your financial statements are in accordance with the applicable financial reporting framework and that there are no significant new or changed accounting policies or issues or internal control or other reporting issues. We will inform you on a timely basis if these factors are not in place.
- 17.2 Should our assumptions with respect to the quality of your accounting records be incorrect or should the conditions of the records, degree of cooperation, results of audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.
- 17.3 Our professional fees will be based on our regular billing rates which depend on the means by which and by whom our Services are provided. We also will bill you for our out-of-pocket expenses, our administrative charge (described below), and applicable Harmonized Sales Tax, Goods and Services Tax and Provincial Sales Tax.
- 17.4 Our administrative charge is calculated as a percentage of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure, telephone charges, photocopying and some support staff time costs.
- 17.5 Our accounts are due when rendered. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

18. Governing Laws

- 18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of the province or territory in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

19. Entire Agreement and Survival

- 19.1 This Agreement sets forth the entire agreement between the parties with respect to the subject matter herein, superseding all prior agreements, negotiations or understandings, whether oral or written, with respect to such subject matter. It is understood that this Agreement will not be superseded by any contract with us for other specific services that

are not of the same scope as the Services contemplated in this Agreement, unless the other contract explicitly references this Agreement and an intent to supersede it.

- 19.2 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

20. Force Majeure

- 20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

21. Assignment

- 21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

22. Severability

- 22.1 If a court or regulator with proper jurisdiction determines that a provision of this Agreement is invalid, then the provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of this Agreement will remain effective.

Version: 201709a



APPENDIX B Independence Letter

November 6, 2017

Members of the Board of Directors
North Okanagan Columbia Shuswap Regional Hospital District

Dear Board of Directors Members:

We have been engaged to audit the consolidated financial statements of North Okanagan Columbia Shuswap Regional Hospital District (the "Regional Hospital District") for the year ended December 31, 2017.

Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between the Regional Hospital District and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, we have considered the applicable legislation and relevant rules of professional conduct and related interpretations prescribed by the appropriate provincial institute/ordre covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 3, 2017, the date of our last letter.

We are not aware of any relationships between the Regional Hospital District and our Firm that, in our professional judgment may reasonably be thought to bear on independence that have occurred from April 3, 2017 to November 6, 2017.

We hereby confirm that we are independent with respect to the Regional Hospital District within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia as of November 6, 2017.

This letter is intended solely for the use of the Board of Directors, Management and others within the Regional Hospital District and should not be used for any other purposes.



Yours truly,

A handwritten signature in black ink, appearing to read "Angie Spencer". The signature is fluid and cursive, with a long, sweeping horizontal stroke at the end.

Angie Spencer, CPA, CA
Partner
BDO Canada LLP
Chartered Professional Accountants



Mr. Charles Hamilton, Chief Administrative Officer
 North Okanagan / Columbia Shuswap
 Regional Hospital District
 Box 978, 781 Marine Park Drive NE
 Salmon Arm, BC V1E 4P1

February 14, 2018

Dear Mr. Hamilton:

RE: CAPITAL FUNDING REQUEST FOR THE 2018/19 FISCAL YEAR

Please accept this annual funding request letter for consideration and approval. Regional Hospital Districts (RHDs) enable Interior Health (IH) to continue to provide high quality health-care services to our patients, clients and residents by funding prioritized capital items. IH is truly grateful for the support the RHDs provide.

For the 2018/19 fiscal year we are requesting funding for the following projects and equipment:

1. Construction Projects Over \$100,000

a. Autopsy Suite/Morgue Update - Planning at Vernon Jubilee Hospital, Vernon

For the past few years, the morgue at this site has not been able to contend with the volume. This situation has resulted in transport of human remains from Vernon to other IH hospital morgues located in other areas. A capital planning project is required to determine the feasibility for options to expand the size of the Vernon Jubilee Hospital's morgue in order to rectify this situation.

b. Inpatient Psychiatry Redevelopment - Planning at Vernon Jubilee Hospital, Vernon

The Vernon Jubilee Hospital Inpatient Psychiatric Unit (IPU) provides acute inpatient mental health services for residents who live in the North Okanagan, Shuswap and Revelstoke regions. The existing IPU is located in a 1958-era hospital building and extremely outdated with design and layout issues that impede patient recovery and pose significant safety risks. We are well underway with developing several capital project conceptual options for which your RHD already approved 40% funding in the amount of \$60,000 on Bylaw #62. With pressures on both primary and community care we are expanding this planning to explore more options that may leverage other programs and services or procurement methods.

2. Construction Projects under \$100,000

a. Parking Lot Lighting Upgrade at Queen Victoria Hospital, Revelstoke

This project is to retrofit existing lighting to LED and add additional light standards around the perimeter of two parking lots at this site to improve lighting and distribution for staff, patients and visitors. This project has been identified as a top priority and therefore this project has already commenced in this year.

b. Domestic Hot Water Boiler Upgrade (x2) at Noric House, Vernon

This project will encompass the installation and connection of two dedicated Domestic Hot Water (DHW) boilers which are over 30 years old and at the end of their life cycle and constantly requiring repairs. Stacks will have to be rerouted to an exterior wall and new pumps installed.

Interior Health Authority
 5th Floor - 505 Doyle Ave.
 Kelowna, BC V1Y 0C5
 Web: www.interiorhealth.ca

VP Support Services & Chief Financial Officer
 Telephone: (250) 862-4025 Fax: (250) 862-4201
 E-Mail: donna.lommer@interiorhealth.ca

c. Access Control System Upgrade at Vernon Jubilee Hospital, Vernon

Hardware that is vital to the ongoing operation of the primary access control platform IH uses for staff access and production of Photo ID is coming to the end of support in 2020. This hardware requires upgrading across our facilities and the entire replacement project will be phased in over three years. This system is integral to the safety and security of our staff, patients and buildings and therefore in fall 2017/18 two panels at this site were selected as the first phase of this multi-site, multi-year transition.

d. Water Softener (x2) at Pleasant Valley Manor, Armstrong

The basic function of a water softener involves replacing the calcium and magnesium ions in water with sodium ions. Hard water problems are resolved by sodium ions because they do not have the adverse effects that calcium and magnesium ions have. Hard water elements do not react well with soap and form deposits on pipes and appliances. This project will encompass the installation of new water softeners to alleviate these hard water issues and high turbidity that Armstrong is subject to two to three times a year.

3. IH-Wide Information Management Information Technology (IMIT)

In alignment with its IMIT strategy, IH is committed to taking a large leap to advance its digital platform and infrastructure to support health service operations, enable key strategies, improve quality and patient safety, and incorporate innovation to improve effectiveness and efficiency. As emphasis continues on primary and community care transformation, the IH digital platform will support exchange of information between providers to support both team-based and continuity of care. This also includes extending MyHeathPortal features and capabilities for patients to be more involved in their care. The digital platform will also focus on more advanced analytics to assist with planning, decision making and every day management functions.

This IMIT project is an IH-wide initiative costing approximately \$19 million. The project's benefits are distributed equally across IH regions; therefore the cost allocation to each of the seven RHDs is based upon population using the PEOPLE 2017, BC Statistics. The North Okanagan Columbia Shuswap RHD's percentage ratio is approximately 17%. Claims on this project will be calculated using this percentage for the actual cost distribution.

4. IMIT over \$100,000

a. Electronic Emergency Department (ED) Medical Summary at Shuswap Lake General Hospital, Salmon Arm

Currently ED documentation is in paper format and therefore ED Physicians in rural sites have indicated that they would like to use electronic documentation so they can get this information into their office electronic medical record (EMR). This project will implement voice recognition and ED physician electronic documentation to enable instant availability of the ED Medical Summary within Meditech and electronic transmission to the family physician EMR.

b. Vocera Expansion and Integration at Vernon Jubilee Hospital, Vernon

This system will provide staff members with a Vocera wearable hands free speaker phone system which can be used to enhance communication between staff members at the push of a button. The system will be used for staff-to-staff communication, emergency communication to increase staff efficiency and to support Workplace Health & Safety requirements, and will assist in improving patient care. The scope will include deploying badges to staff and integration with the telephone system.

5. IMIT under \$100,000

a. Vocera Expansion and Integration at Polson Care Centre, Vernon

The description of this project is the same as outlined above in 4b.

b. Wireless Infrastructure Expansion and Refresh at Various Facilities

The ability to connect devices wirelessly to the IH data network presents many opportunities for staff, physicians and patients to access information when and where it is needed. Wireless networks are also required to operate complex integrated systems such as staff-to-staff communication systems and specialized medical equipment linked to a centralized system via a wireless network. These projects at Vernon Jubilee Hospital, Salmon Arm Health Centre and Bastion Place are to either expand or refresh wireless coverage to support the high demand from various clinical and physician initiatives that require wireless connectivity.

6. Equipment Over \$100,000

a. Medstations, IH-Wide Pyxis Replacement, Phase 3 for Shuswap Lake General Hospital, Salmon Arm

Automated dispensing cabinets (ADC) for medications were first introduced in IH in 2006. This technology has brought improvements in patient safety and workflow that have been well supported by both nursing and pharmacy staff. In August 2014 IH was informed that the current platform (Pyxis 3500) was approaching end of life and will no longer be supported by the vendor. After extensive consultation with stakeholders IH decided to replace the Pyxis 3500 with Omnicell G4. This newest platform has a number of improvements over the older technology and will further increase patient safety and workflow.



In 2016/17 an IH wide common structure was required before the ADC replacements could begin. This infrastructure was part of Phase 1 and included servers, software and staffing resources for configuration. The replacement of the individual ADC's started in 2016/17 (Phase 1) and continued in 2017/18 (Phase 2). The entire ADC replacement project will be completed by the end of 2019/20. This project is for the actual purchase of the Omnicell ADC's, renovations and project staffing specifically at the Shuswap Lake General Hospital and is classified as Phase 3 for 2018/19 as part of the entire IH rollout.

b. Anaesthetic Unit with Monitor for Queen Victoria Hospital, Revelstoke

This machine is used in the operating room by the anaesthesiologist to deliver anaesthetic gases to a patient under a general anaesthetic. These units include a physiological and cardiac monitoring system and airway gas module. This purchase for the surgical department is replacing a 2007 model.



c. Resident Bus for Gateby Care Centre and Noric House, Vernon

This is a 16-20 person vehicle used for residential care clients for recreational outings. This bus is outfitted with wheelchair lifts and wheelchair restraints. We will be replacing a 2004 model which is used to transport clients at both of these Residential Facilities.



7. Equipment Under \$100,000 (Global Grant)

We are requesting global funding for equipment that costs between \$5,000 and \$100,000.

We have included as Appendix 1 a financial summary of our funding request, which totals \$2,698,400.

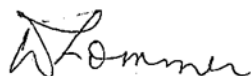
IH has noted a significant increase in construction cost escalation in recent months. Detailed cost estimates are being made obsolete within months and in some cases weeks of their creation. The main driver of this escalation appears to be scarcity of qualified sub-trades and increasing raw material costs. IH is meeting regularly with our cost estimators to ensure escalation rates are being accurately estimated, however the volatility of the construction market is making this very challenging. Please be aware during these periods of market volatility we may be put in the unfortunate situation of requesting additional funding for projects, in particular those projects with extended procurement timelines. Alternatively we may need to revisit the scope of a project(s) to fit within available funding. We will keep you apprised in the event that we face substantive changes.

Although the 2018/19 budget has been approved by the IH board, all capital spending over \$100,000 regardless of funding source must also be approved annually by government. We will be providing you with information regarding notional government funding and a high level estimate for your planning purposes of the three year funding requirement, as well as a listing of IH's major prioritized items under separate cover.

It would be appreciated if you could submit our request for funding for these items to your Board for approval. Please advise us of the meeting date when funding will be discussed and whether you would like to have IH representatives attend to answer questions that the Directors may have. Upon approval, please send Birgit Koster copies of the relevant bylaws for our records.

If you require further information, or if you have any questions or concerns, please contact Dan Goughnour or me directly.

Sincerely,



Donna Lommer, CPA, CGA, EMBA
VP Support Services & CFO

/at

Encl. Appendix 1 ~ Summary of Regional Health District Funding Request for 2018/19

cc: Rhona Martin, Chair, NOCSRHD
Jodi Pierce, Manager Financial Services, NOCSRHD
Richard Harding, Acute Health Service Administrator, North Okanagan
Peter Du Toit, Acute Health Service Administrator, Columbia Shuswap
Dan Goughnour, Director, Business Support
Lorne Sisley, Corporate Director, Facilities Management and Operations
Birgit Koster, Director Business Support, Capital Planning

Interior Health
North Okanagan Columbia Shuswap
Summary of Regional Hospital District Funding Request
for 2018/19

Facility	Location	Equipment/Project Description	Total Budget	RHD Share	Previous RHD Approval		2018/19 Funding Request
					Amount	B/L #	
		<u>Construction Projects over \$100,000</u>					
Vernon Jubilee Hospital	Vernon	Autopsy Suite/Morgue Update - Planning	\$ 150,000	\$ 60,000			\$ 60,000
Vernon Jubilee Hospital	Vernon	Inpatient Psychiatry Redevelopment - Planning	250,000	100,000	\$ 60,000	62	40,000
		<u>Construction Projects under \$100,000</u>					
Queen Victoria Hospital	Revelstoke	Parking Lot Lighting Upgrade	90,000	36,000			36,000
Noric House	Vernon	Domestic Hot Water Boiler Upgrade (x2)	85,000	34,000			34,000
Vernon Jubilee Hospital	Vernon	Access Control System Upgrade	70,000	28,000			28,000
Pleasant Valley Manor	Armstrong	Water Softener (x2)	60,000	24,000			24,000
		<u>IH-Wide IMIT</u>					
Regional		Various	3,274,000	1,309,600			1,309,600
		<u>IMIT over \$100,000</u>					
Shuswap Lake General Hospital	Salmon Arm	Electronic Emergency Department Medical Summary	220,000	88,000			88,000
Vernon Jubilee Hospital	Vernon	Vocera Expansion and Integration	180,000	72,000			72,000
		<u>IMIT under \$100,000</u>					
Polson Care Centre	Vernon	Vocera Expansion and Integration	99,000	39,600			39,600
Vernon Jubilee Hospital	Vernon	Wireless Infrastructure Refresh	99,000	39,600			39,600
Salmon Arm Health Centre	Salmon Arm	Wireless Infrastructure Expansion	30,000	12,000			12,000
Bastion Place	Salmon Arm	Wireless Infrastructure Refresh	20,000	8,000			8,000
		<u>Equipment over \$100,000</u>					
Shuswap Lake General Hospital	Salmon Arm	Medstations, IH-Wide Pyxis Replacement, Phase 3	489,000	195,600			195,600
Queen Victoria Hospital	Revelstoke	Anaesthetic Unit with Monitor	120,000	48,000			48,000
Gateby Care Centre/Noric House	Vernon	Resident Bus	117,000	46,800			46,800
		<u>Equipment Under \$100,000 (Global Grant)</u>					
All Facilities		Equipment between \$5,000 and \$100,000	1,543,000	617,200			617,200
Total			\$ 6,896,000	\$ 2,758,400	\$ 60,000		\$ 2,698,400



Mr. Charles Hamilton, Chief Administrative Officer
 North Okanagan / Columbia Shuswap
 Regional Hospital District
 Box 978, 781 Marine Park Drive NE
 Salmon Arm, BC V1E 4P1

December 12, 2017

Dear Mr. Hamilton:

RE: CAPITAL FUNDING REQUEST FOR THE 2018/19 FISCAL YEAR

Please accept this annual funding request letter for consideration and approval. Regional Hospital Districts (RHDs) enable Interior Health (IH) to continue to provide high quality health-care services to our patients, clients and residents by funding prioritized capital items. IH is truly grateful for the support the RHDs provide.

For the 2018/19 fiscal year we are requesting funding for the following projects and equipment:

1. Construction Projects Over \$100,000

a. Emergency Generator at Queen Victoria Hospital, Revelstoke

This acute care site is currently serviced by only one emergency generator and this is a remote site which experiences numerous power failures throughout the year. The existing single diesel generator is under sized and is to be replaced with two new redundant emergency generators. The generators will be sized to back up all the essential loads of the hospital. This new electrical system will incorporate a “bumpless” or closed transition automatic transfer switch which will allow the hospital to test the emergency power system on a weekly basis without power interruption to the hospital's normal operations. The work will include a new high voltage electrical service to serve a new 600V primary distribution system that will better support the electrical needs of the site.

b. Autopsy Suite/Morgue Update - Planning at Vernon Jubilee Hospital, Vernon

For the past few years, the morgue at this site has not been able to contend with the volume. This situation has resulted in transport of human remains from Vernon to other IH hospital morgues located in other areas. A capital planning project is required to determine the feasibility for options to expand the size of the Vernon Jubilee Hospital's morgue in order to rectify this situation.

c. Inpatient Psychiatry Redevelopment - Planning at Vernon Jubilee Hospital, Vernon

The Vernon Jubilee Hospital Inpatient Psychiatric Unit (IPU) provides acute inpatient mental health services for residents who live in the North Okanagan, Shuswap and Revelstoke regions. The existing IPU is located in a 1958-era hospital building and extremely outdated with design and layout issues that impede patient recovery and pose significant safety risks. We are well underway with developing several capital project conceptual options for which your RHD already approved 40% funding in the amount of \$60,000 on Bylaw #62. With pressures on both primary and community care we are expanding this planning to explore more options that may leverage other programs and services or procurement methods.

2. Construction Projects under \$100,000

a. Parking Lot Lighting Upgrade at Queen Victoria Hospital, Revelstoke

This project is to retrofit existing lighting to LED and add additional light standards around the perimeter of two parking lots at this site to improve lighting and distribution for staff, patients and visitors. This project has been identified as a top priority and therefore this project has already commenced in this year.

b. Domestic Hot Water Boiler Upgrade (x2) at Noric House, Vernon

This project will encompass the installation and connection of two dedicated Domestic Hot Water (DHW) boilers which are over 30 years old and at the end of their life cycle and constantly requiring repairs. Stacks will have to be rerouted to an exterior wall and new pumps installed.

c. Access Control System Upgrade at Vernon Jubilee Hospital, Vernon

Hardware that is vital to the ongoing operation of the primary access control platform IH uses for staff access and production of Photo ID is coming to the end of support in 2020. This hardware requires upgrading across our facilities and the entire replacement project will be phased in over three years. This system is integral to the safety and security of our staff, patients and buildings and therefore in fall 2017/18 two panels at this site were selected as the first phase of this multi-site, multi-year transition.

d. Water Softener (x2) at Pleasant Valley Manor, Armstrong

The basic function of a water softener involves replacing the calcium and magnesium ions in water with sodium ions. Hard water problems are resolved by sodium ions because they do not have the adverse effects that calcium and magnesium ions have. Hard water elements do not react well with soap and form deposits on pipes and appliances. This project will encompass the installation of new water softeners to alleviate these hard water issues and high turbidity that Armstrong is subject to two to three times a year.

3. IH-Wide Information Management Information Technology (IMIT)

In alignment with its IMIT strategy, IH is committed to taking a large leap to advance its digital platform and infrastructure to support health service operations, enable key strategies, improve quality and patient safety, and incorporate innovation to improve effectiveness and efficiency. As emphasis continues on primary and community care transformation, the IH digital platform will support exchange of information between providers to support both team-based and continuity of care. This also includes extending MyHeathPortal features and capabilities for patients to be more involved in their care. The digital platform will also focus on more advanced analytics to assist with planning, decision making and every day management functions.

This IMIT project is an IH-wide initiative costing approximately \$19 million. The project's benefits are distributed equally across IH regions; therefore the cost allocation to each of the seven RHDs is based upon population using the PEOPLE 2017, BC Statistics. The North Okanagan Columbia Shuswap RHD's percentage ratio is approximately 17%. Claims on this project will be calculated using this percentage for the actual cost distribution.

4. IMIT over \$100,000

a. Electronic Emergency Department (ED) Medical Summary at Shuswap Lake General Hospital, Salmon Arm

Currently ED documentation is in paper format and therefore ED Physicians in rural sites have indicated that they would like to use electronic documentation so they can get this information into their office electronic medical record (EMR). This project will implement voice recognition and ED physician electronic documentation to enable instant availability of the ED Medical Summary within Meditech and electronic transmission to the family physician EMR.

b. Vocera Expansion and Integration at Vernon Jubilee Hospital, Vernon

This system will provide staff members with a Vocera wearable hands free speaker phone system which can be used to enhance communication between staff members at the push of a button. The system will be used for staff-to-staff communication, emergency communication to increase staff efficiency and to support Workplace Health & Safety requirements, and will assist in improving patient care. The scope will include deploying badges to staff and integration with the telephone system.

5. IMIT under \$100,000

a. Vocera Expansion and Integration at Polson Care Centre, Vernon

The description of this project is the same as outlined above in 4b.

b. Wireless Infrastructure Expansion and Refresh at Various Facilities

The ability to connect devices wirelessly to the IH data network presents many opportunities for staff, physicians and patients to access information when and where it is needed. Wireless networks are also required to operate complex integrated systems such as staff-to-staff communication systems and specialized medical equipment linked to a centralized system via a wireless network. These projects at Vernon Jubilee Hospital, Salmon Arm Health Centre and Bastion Place are to either expand or refresh wireless coverage to support the high demand from various clinical and physician initiatives that require wireless connectivity.

6. Equipment Over \$100,000

a. Urology Imaging System, Digital for Vernon Jubilee Hospital, Vernon

This fully digital system allows full-format x-ray exposures of the entire area from kidneys to bladder in one single shot. These units offer access from all four table sides, providing optimal view during all urological procedures. This is replacing a 2009 machine in the surgical department.



b. Medstations, IH-Wide Pyxis Replacement, Phase 3 for Shuswap Lake General Hospital, Salmon Arm

Automated dispensing cabinets (ADC) for medications were first introduced in IH in 2006. This technology has brought improvements in patient safety and workflow that have been well supported by both nursing and pharmacy staff. In August 2014 IH was informed that the current platform (Pyxis 3500) was approaching end of life and will no longer be supported by the vendor. After extensive consultation with stakeholders IH decided to replace the Pyxis 3500 with Omnicell G4. This newest platform has a number of improvements over the older technology and will further increase patient safety and workflow.



In 2016/17 an IH wide common structure was required before the ADC replacements could begin. This infrastructure was part of Phase 1 and included servers, software and staffing resources for configuration. The replacement of the individual ADC's started in 2016/17 (Phase 1) and continued in 2017/18 (Phase 2). The entire ADC replacement project will be completed by the end of 2019/20. This project is for the actual purchase of the Omnicell ADC's, renovations and project staffing specifically at the Shuswap Lake General Hospital and is classified as Phase 3 for 2018/19 as part of the entire IH rollout.

c. Anaesthetic Unit with Monitor for Queen Victoria Hospital, Revelstoke

This machine is used in the operating room by the anaesthesiologist to deliver anaesthetic gases to a patient under a general anaesthetic. These units include a physiological and cardiac monitoring system and airway gas module. This purchase for the surgical department is replacing a 2007 model.



d. Resident Bus for Gateby Care Centre and Noric House, Vernon

This is a 16-20 person vehicle used for residential care clients for recreational outings. This bus is outfitted with wheelchair lifts and wheelchair restraints. We will be replacing a 2004 model which is used to transport clients at both of these Residential Facilities.



7. Equipment Under \$100,000 (Global Grant)

We are requesting global funding for equipment that costs between \$5,000 and \$100,000.

We have included as Appendix 1 a financial summary of our funding request, which totals \$4,401,600.

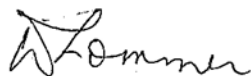
IH has noted a significant increase in construction cost escalation in recent months. Detailed cost estimates are being made obsolete within months and in some cases weeks of their creation. The main driver of this escalation appears to be scarcity of qualified sub-trades and increasing raw material costs. IH is meeting regularly with our cost estimators to ensure escalation rates are being accurately estimated, however the volatility of the construction market is making this very challenging. Please be aware during these periods of market volatility we may be put in the unfortunate situation of requesting additional funding for projects, in particular those projects with extended procurement timelines. Alternatively we may need to revisit the scope of a project(s) to fit within available funding. We will keep you apprised in the event that we face substantive changes.

Although the 2018/19 budget has been approved by the IH board, all capital spending over \$100,000 regardless of funding source must also be approved annually by government. We will be providing you with information regarding notional government funding and a high level estimate for your planning purposes of the three year funding requirement, as well as a listing of IH's major prioritized items under separate cover.

It would be appreciated if you could submit our request for funding for these items to your Board for approval. Please apprise us of the meeting date when funding will be discussed and whether you would like to have IH representatives attend to answer questions that the Directors may have. Upon approval, please send Birgit Koster copies of the relevant bylaws for our records.

If you require further information, or if you have any questions or concerns, please contact Dan Goughnour or myself directly.

Sincerely,



Donna Lommer, CPA, CGA, EMBA
VP Support Services & CFO

/at

Encl. Appendix 1 ~ Summary of Regional Health District Funding Request for 2018/19

cc: Rhona Martin, Chair, NOCSRHD
Jodi Pierce, Manager Financial Services, NOCSRHD
Richard Harding, Acute Health Service Administrator, North Okanagan
Peter Du Toit, Acute Health Service Administrator, Columbia Shuswap
Dan Goughnour, Director, Business Support
Lorne Sisley, Corporate Director, Facilities Management and Operations
Birgit Koster, Director Business Support, Capital Planning

Interior Health
North Okanagan Columbia Shuswap
Summary of Regional Hospital District Funding Request
for 2018/19

Facility	Location	Equipment/Project Description	Total Budget	RHD Share	Previous RHD Approval		2018/19 Funding Request
					Amount	B/L #	
		<u>Construction Projects over \$100,000</u>					
Queen Victoria Hospital	Revelstoke	Emergency Generator	\$ 3,500,000	\$ 1,400,000			\$ 1,400,000
Vernon Jubilee Hospital	Vernon	Autopsy Suite/Morgue Update - Planning	150,000	60,000			60,000
Vernon Jubilee Hospital	Vernon	Inpatient Psychiatry Redevelopment - Planning	250,000	100,000	\$ 60,000	62	40,000
		<u>Construction Projects under \$100,000</u>					
Queen Victoria Hospital	Revelstoke	Parking Lot Lighting Upgrade	90,000	36,000			36,000
Noric House	Vernon	Domestic Hot Water Boiler Upgrade (x2)	85,000	34,000			34,000
Vernon Jubilee Hospital	Vernon	Access Control System Upgrade	70,000	28,000			28,000
Pleasant Valley Manor	Armstrong	Water Softener (x2)	60,000	24,000			24,000
		<u>IH-Wide IMIT</u>					
Regional		Various	3,274,000	1,309,600			1,309,600
		<u>IMIT over \$100,000</u>					
Shuswap Lake General Hospital	Salmon Arm	Electronic Emergency Department Medical Summary	220,000	88,000			88,000
Vernon Jubilee Hospital	Vernon	Vocera Expansion and Integration	180,000	72,000			72,000
		<u>IMIT under \$100,000</u>					
Polson Care Centre	Vernon	Vocera Expansion and Integration	99,000	39,600			39,600
Vernon Jubilee Hospital	Vernon	Wireless Infrastructure Refresh	99,000	39,600			39,600
Salmon Arm Health Centre	Salmon Arm	Wireless Infrastructure Expansion	30,000	12,000			12,000
Bastion Place	Salmon Arm	Wireless Infrastructure Refresh	20,000	8,000			8,000
		<u>Equipment over \$100,000</u>					
Vernon Jubilee Hospital	Vernon	Urology Imaging System, Digital	758,000	303,200			303,200
Shuswap Lake General Hospital	Salmon Arm	Medstations, IH-Wide Pyxis Replacement, Phase 3	489,000	195,600			195,600
Queen Victoria Hospital	Revelstoke	Anaesthetic Unit with Monitor	120,000	48,000			48,000
Gateby Care Centre/Noric House	Vernon	Resident Bus	117,000	46,800			46,800
		<u>Equipment Under \$100,000 (Global Grant)</u>					
All Facilities		Equipment between \$5,000 and \$100,000	1,543,000	617,200			617,200
Total			\$ 11,154,000	\$ 4,461,600	\$ 60,000		\$ 4,401,600

Lynda Shykora

From: Jodi Pierce
Sent: Monday, January 22, 2018 8:39 AM
To: Lommer, Donna; Charles Hamilton
Cc: 'rmartin@csrd.bc.ca'; 'jpierce@csrd.bc.ca'; Harding, Richard; Du Toit, Peter; Goughnour, Dan; Sisley, Lorne; Koster, Birgit; Lynda Shykora
Subject: RE: Capital Funding Request for the 2018/19 Fiscal Year
Attachments: Capital Funding letter.pdf; RHDNOCS Major Projects and 3-yr Funding Feb 17.pdf

Importance: High

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Good morning Ms. Lommer,

I have received the Interior Health 2018/2019 capital funding request dated December 12, 2017, however, I have been asked by Chair Martin to request that you review your funding request in light of the North Okanagan Columbia Shuswap Regional Hospital District letter dated June 26, 2017 (attached for your reference) that Interior Health be mindful of its capital funding requests over the next several years.

In May 2017, the hospital district approved an amended budget to accommodate a request for an MRI machine and related construction, however, that caused a significant increase in the budget for the next few years as the hospital district had to utilize borrowing to fund the request. This new funding request for 2018/2019 would see the Regional Hospital District have a 30+% increase in the tax requisition if it were to approve the entire funding request of \$4,401,600. This cannot be supported by the Board and therefore the Chair would like to see the request amended to be within the \$2.7 million dollars that was previously indicated in the planning letter dated February 15, 2017. Any requests beyond the \$2.7 million dollars would likely not be supported by the Board.

If you would like to discuss this further, please do not hesitate to contact me. Thank you for your prompt attention to the above and I look forward to seeing your revised capital funding request for 2018/2019.

Jodi Pierce, CPA, CGA
 Manager | Financial Administration Services
Columbia Shuswap Regional District
 T: 250.833.5907 | F: 250.832.3375 | TF: 1.888.248.2773
 E: jpierce@csrd.bc.ca | W: www.csrd.bc.ca



Please consider the environment before printing this e-mail

From: Heming, Kinga [mailto:Kinga.Heming@interiorhealth.ca] **On Behalf Of** Lommer, Donna
Sent: Tuesday, December 12, 2017 4:20 PM
To: Charles Hamilton <chamilton@csrd.bc.ca>
Cc: 'rmartin@csrd.bc.ca'; 'jpierce@csrd.bc.ca'; Harding, Richard <Richard.Harding@interiorhealth.ca>; Du Toit, Peter <Peter.Dutoit@interiorhealth.ca>; Goughnour, Dan <Dan.Goughnour@interiorhealth.ca>; Sisley, Lorne <Lorne.Sisley@interiorhealth.ca>; Koster, Birgit <Birgit.Koster@interiorhealth.ca>; Lommer, Donna

<Donna.Lommer@interiorhealth.ca>

Subject: Capital Funding Request for the 2018/19 Fiscal Year

Good Afternoon,

Please find attached, the above noted letter sent on behalf of Donna Lommer, VP Support Services and CFO.

Kind Regards;

Kinga Heming

Executive Assistant, Donna Lommer,

VP Support Services and CFO

Interior Health Authority

Community Health & Services Centre

505 Doyle Avenue Kelowna, BC V1Y 0C5

(250) 469-7070 x 12799

Kinga.heming@interiorhealth.ca

555 HARBOURFRONT DRIVE NE
BOX 978 SALMON ARM BC
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TOLL FREE: 1.888.248.2773
WEBSITE: www.csr.bc.ca

NORTH OKANAGAN/COLUMBIA SHUSWAP REGIONAL HOSPITAL DISTRICT

June 26, 2017

FILE:

Delivered via email to donna.lommer@interiorhealth.ca

8900-20

Donna Lommer, VP Support Services & CFO
Interior Health Authority
505 Doyle Ave.
KELOWNA, B.C. V1Y 6V8

Dear Ms. Lommer:

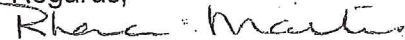
Re: Capital Funding Requests

The North Okanagan Columbia Shuswap Regional Hospital District (NOCSRHD) Board has approved the "2017 North Okanagan/Columbia Shuswap Regional Hospital District Financial Plan Amendment Bylaw No. 67", as well as "North Okanagan/Columbia Shuswap Regional Hospital District Capital Expenditure and Borrowing Bylaw No. 68" at its May 16, 2017 Special Board meeting. As you know, these bylaw amendments were necessitated from the April 24, 2017 request of Interior Health to fund MRI equipment and the associated capital improvements needed to house the MRI equipment at Vernon Jubilee Hospital.

Upon considerable deliberation followed by approval of the above bylaws to fund the capital project, the Board subsequently adopted a resolution that Interior Health be put on notice that the Board respectfully requests Interior Health be very mindful of its capital request submissions in future years, particularly in the years 2018 through 2020. The strong message to be conveyed to Interior Health is that the North Okanagan Columbia Shuswap Regional Hospital Board is looking for reductions in the capital requests coming forward. The Board wishes to signal to Interior Health the importance of its desire to maintain sustainable, stable taxation. At the Special meeting in May, the NOCSRHD Board has also suggested that the Vernon Jubilee Hospital Foundation be sought as a source to draw upon for financial contributions to future capital projects, aside from the Vernon Jubilee Hospital MRI capital project.

While the Board understands that the request of Interior Health was precipitated through the availability of unexpected Provincial funding in April, 2017 towards the project and the Board acknowledges the tremendous benefits to the North Okanagan Columbia Shuswap communities and its residents, we trust that Interior Health will seriously weight and consider its future capital funding requests to the NOCSRHD.

Regards,



Rhona Martin, Chair

North Okanagan/Columbia Shuswap Regional Hospital District

Page Two,
Letter to Donna Lommer, Interior Health
June 26, 2017

cc: Richard Harding, Acute Health Service Administrator, North Okanagan
Peter du Toit, Acute Health Service Administrator, Columbia Shuswap
Dan Goughnour, Director, Business Support
Birgit Koster, Director Business Support, Capital Planning
Jodi Pierce, Manager, Financial Services, NOCSRHD



Mr. Charles Hamilton, Chief Administrative Officer
 North Okanagan / Columbia Shuswap
 Regional Hospital District
 Box 978, 781 Marine Park Drive NE
 Salmon Arm, BC V1E 4P1

CONFIDENTIAL

February 15, 2017

Dear Mr. Hamilton:

RE: FUNDING REQUIREMENTS & MAJOR CAPITAL PROJECTS

As mentioned in our annual funding request letter sent to you in December 2016 we would like to provide you with information to support your planning process. The top part of the table below presents the total funding envelope that Interior Health (IH) is expected to receive over the next three fiscal years from the Ministry of Health (MOH). The available funding is notional, meaning, that these amounts can be used for planning purposes, but are not yet confirmed. The final allocations are dependent upon capital funding provided to the MOH from the annual provincial budget. Annual amounts are confirmed to us in the beginning of each fiscal year.

Accordingly, IH's outer years' funding requirements is a high level estimate based on a calculation that incorporates government's notional allocations and prior years' actual requests. It could shift based on actual demands and changes in available funding. IH relies on its rigorous prioritization process when developing its annual capital budget.

The bottom part of the table refers specifically to your Regional Hospital District (RHD). It shows the total capital requests that have been identified for your area for facility construction, equipment and Information Management Information Technology. This compares to the funding that is estimated to be allocated to your area. The last line indicates the projected funding requirement from your RHD for planning purposes.

North Okanagan Columbia Shuswap Potential Capital Funding Requirements

February 2017

Anticipated Funding from Ministry of Health to Interior Health (millions)	2017/18 (notional)	2018/19 (notional)	2019/20 (notional)	Three-year Total (notional)
Available Funding for planning purposes only	\$ 21.3	\$ 28.0	\$ 29.6	\$ 78.9

North Okanagan Columbia Shuswap (NOCS) (millions)	2017/18	2018/19 (notional)	2019/20 (notional)	Three-year Total (notional)
Total of all Capital Requests Identified for the next three years				\$ 118.0
Approximate Funding from all Sources for NOCS (Ministry, RHD, Equity, Foundation, etc.)	\$ 4.8	\$ 6.8	\$ 7.0	\$ 18.6
Anticipated Regional Hospital District Funding Requirements for planning purposes only	\$ 1.9	\$ 2.7	\$ 2.8	\$ 7.4

Interior Health Authority
 505 Doyle Ave.
 Kelowna, BC V1Y 6V8
 Web: www.interiorhealth.ca

VP Support Services & Chief Financial Officer
 Telephone: (250) 862-4025 Fax: (250) 862-4201
 E-Mail: donna.lommer@interiorhealth.ca

Please note that the above funding requirement amounts do not include any potential Priority Investments in your Regional Hospital District (RHD) area. These types of projects require individual MOH approval and are granted outside of the regular capital budget cycle.

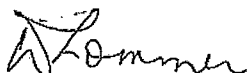
Attached please find the prioritized listing of IH's major planned capital projects consisting of:

- Construction projects over \$2 million that are "program" related
- Net new Information Management Information Technology over \$5 million
- Net new major diagnostic equipment regardless of value

The list is grouped in "A" and "B" priorities and is sorted alphabetically by facility name within these two categories.

If you require further information, or if you have any questions or concerns, please contact Dan Goughnour or me directly.

Sincerely,



Donna Lommer, CPA, CGA, EMBA
VP Support Services & CFO

/bk

Encl. Major Capital Projects Priority List, December 2016

cc: Rhona Martin, Chair, NOCSRHD
Jodi Pierce, Manager Financial Services, NOCSRHD
Richard Harding, Acute Health Service Administrator, North Okanagan
Peter Du Toit, Acute Health Service Administrator, Columbia Shuswap
Dan Goughnour, Director, Business Support
Birgit Koster, Director Business Support, Capital Planning

Interior Health

Prioritized Listing of Major Planned Capital Projects consisting of:

December 5, 2016

- Construction projects > \$2 million that are "program" related regardless of funding source (RCI or PI)
- Net new IMIT > \$5 million
- Net new major diagnostic equipment regardless of value (CT/MRI/PET/Radiation Therapy)

PROJECT/EQUIPMENT	FACILITY NAME	LOCATION	RHD	ESTIMATED TOTAL COST (millions)	TYPE	STATUS
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Category A Priorities

Redevelopment	Cariboo Memorial Hospital	Williams Lake	CC	\$115	PI	Concept Plan complete and sent to MOH June 2015
Strategic Land Acquisition	Kelowna General Hospital	Kelowna	CO	TBD	PI	Strategic Land acquisition ongoing
MRI	Kootenay Boundary Regional Hospital	Trail	WKB	TBD	PI	Short Form Business Plan sent to MOH as part of MRI strategy in February 2016
Service Priority Renovations	Kootenay Boundary Regional Hospital	Trail	WKB	\$40	PI	Short Form Business Plan completed in October 2015 and presented to MOH.
Patient Care Tower	Royal Inland Hospital	Kamloops	T	\$417	PI	Business Plan completed; to be presented to government by the end of 2016
Inpatient Psychiatry	Vernon Jubilee Hospital	Vernon	NOCS	\$31	PI	Concept design complete; schematic design needed to finalize cost estimate; require MOH approval to continue planning work.
Redesign/Redevelopment	Vernon Jubilee Hospital	Vernon	NOCS	\$15	PI	Concept design complete; schematic design needed to finalize cost estimate; require MOH approval to continue planning work.

Category B Priorities

Community Dialysis Unit	Cranbrook	Cranbrook	KE	TBD	RCI	
Emergency Department Renovation	Elk Valley Hospital	Fernie	KE	TBD	RCI	Short Form Business Plan completed
OR Renovation	Golden & District Hospital	Golden	KE	TBD	RCI	Short Form Business Plan completed
Redevelopment	Golden & District Hospital	Golden	KE	TBD	PI	Short Form Business Plan completed
34 Inpatient Beds - 6th Floor Centennial Building	Kelowna General Hospital	Kelowna	CO	\$14	PI	Short Form Business Plan completed
Redevelopment	Queen Victoria Hospital	Revelstoke	NOCS	TBD	RCI	Short Form Business Plan completed
Critical Care and IP Redevelopment	Shuswap Lake Hospital	Salmon Arm	NOCS	\$15	RCI	Short Form Business Plan completed

LEGEND

RHD Areas

RCI - Routine Capital Investment	CC - Cariboo Chilcotin
PI - Priority Investment	CO - Central Okanagan
TBD - to be determined	NOCS - North Okanagan Columbia Shuswap
	OS - Okanagan Similkameen
	KE - Kootenay East
	T - Thompson
	WKB - West Kootenay Boundary



Mr. Charles Hamilton, Chief Administrative Officer
 North Okanagan / Columbia Shuswap
 Regional Hospital District
 Box 978, 781 Marine Park Drive NE
 Salmon Arm, BC V1E 4P1

CONFIDENTIAL

February 28, 2018

Dear Mr. Hamilton:

RE: HIGH LEVEL FUNDING ESTIMATES & MAJOR CAPITAL PROJECTS

Enclosed please find additional information to support your planning process. The top part of the table below presents the total funding envelope that Interior Health (IH) is expected to receive over the next three fiscal years from the Ministry of Health (MOH). The available funding is notional, meaning, that these amounts can be used for planning purposes, but are not yet confirmed. The final allocations are dependent upon capital funding provided to the MOH from the annual provincial budget. Annual amounts are confirmed to us in the beginning of each fiscal year and if there are changes to the amounts, it will directly impact the estimated funding requirements outlined in the below table.

Accordingly, IH's outer years' high level estimates are quite volatile and should be used for general planning purposes only. Forecasts will shift based on actual demands and changes in available funding. IH relies on its rigorous prioritization process when developing its annual capital budget.

The bottom part of the table refers specifically to your Regional Hospital District (RHD). It shows the approximate total capital requests for facility construction, equipment and Information Management Information Technology for your area for the next three years. The last line indicates a high level estimate of funding requirements from your RHD for planning purposes. These projections are subject to change based on funding availability and/or critical needs that may be identified in a given year.

North Okanagan Columbia Shuswap Potential Capital Funding Requirements

February 2018

Anticipated Funding from Ministry of Health to Interior Health (millions)	2018/19 (notional)	2019/20 (notional)	2020/21 (notional)	Three-year Total (notional)
Available Funding for planning purposes only	\$ 28.0	\$ 29.6	\$ 32.0	\$ 89.6

North Okanagan Columbia Shuswap (NOCS) (millions)	2018/19	2019/20 (notional)	2020/21 (notional)	Three-year Total (notional)
Total of all Capital Requests Identified for the next three years				\$ 119.0
Approximate Funding from all Sources for NOCS (Ministry, RHD, Equity, Foundation, etc.)	\$ 6.8	\$ 10.0	\$ 7.5	\$ 24.3
Anticipated Regional Hospital District Funding Requirements for planning purposes only	\$ 2.7	\$ 4.0	\$ 3.0	\$ 9.7

Interior Health Authority
 505 Doyle Ave.
 Kelowna, BC V1Y 6V8
 Web: www.interiorhealth.ca

VP Support Services & Chief Financial Officer
 Telephone: (250) 862-4025 Fax: (250) 862-4201
 E-Mail: donna.lommer@interiorhealth.ca

Please note that the above funding requirement amounts do not include any potential Priority Investments in your RHD area. These types of projects require individual MOH approval and are granted outside of the regular capital budget cycle.

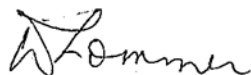
Attached please find the prioritized listing of IH's major planned capital projects consisting of:

- Construction projects over \$2 million that are "program" related
- Net new Information Management Information Technology over \$5 million
- Net new major diagnostic equipment regardless of value

The list is grouped in "A" and "B" priorities and is sorted alphabetically by facility name within these two categories.

If you require further information, or if you have any questions or concerns, please contact Dan Goughnour or me directly.

Sincerely,



Donna Lommer, CPA, CGA, EMBA
VP Support Services & CFO

/bk

Encl. Major Capital Projects Priority List, December 2017

cc: Rhona Martin, Chair, NOCSRHD
Jodi Pierce, Manager Financial Services, NOCSRHD
Richard Harding, Acute Health Service Administrator, North Okanagan
Peter Du Toit, Acute Health Service Administrator, Columbia Shuswap
Dan Goughnour, Director, Business Support
Birgit Koster, Director Business Support, Capital Planning

Interior Health

Prioritized Listing of Major Planned Capital Projects

December 4, 2017

Construction projects > \$2 million that are "program" related regardless of funding source (RCI or PI)

Net new IMIT projects > \$5 million

Net new major diagnostic equipment regardless of value (CT/MRI/PET/Radiation Therapy)

Sorted by category and then alphabetically by facility name

Project/Equipment Name	Facility Name	Location	RHD	Estimated total cost (millions)	RCI/PI	Demand for Services	Innovation & Change	Sustainability
Category A Priorities								
Inpatient and Emergency Department Renovation	Arrow Lakes Hospital	Nakusp	WKB	\$2	RCI	√	√	√
Redevelopment	Cariboo Memorial Hospital	Williams Lake	CC	\$128	PI	√	√	√
Electrophysiology Lab Equipment	Kelowna General Hospital	Kelowna	CO	\$6	PI	√	√	X
Land & Parkade	Kelowna General Hospital	Kelowna	CO	\$22	PI	√	√	X
Service Priority Renovations Phase II and III	Kootenay Boundary Regional Hospital	Trail	WKB	TBD	RCI	√	√	√
Advanced Clinical Information System	Penticton Regional Hospital	Penticton	OS	\$10	PI	√	√	√
Residential Care Facility/Community Health Centre	TBD	Nelson	WKB	TBD	PI	√	√	√
Inpatient Psychiatry Redesign/Redevelopment	Vernon Jubilee Hospital	Vernon	NOCS	\$31	PI	√	√	√
Category B Priorities								
Emergency Department Renovation	Boundary Hospital	Grand Forks	WKB	TBD	RCI	√	X	√
Community Dialysis Unit	East Kootenay Regional Hospital	Cranbrook	KE	TBD	RCI	√	X	√
Lab/Pharmacy/Oncology Renovation	East Kootenay Regional Hospital	Cranbrook	KE	TBD	RCI	√	X	√
Emergency Department and Outpatient Services Renovation	Elk Valley Hospital	Fernie	KE	TBD	RCI	√	√	√
OR Renovation	Golden & District Hospital	Golden	KE	\$3	RCI	√	√	√
Redevelopment	Golden & District Hospital	Golden	KE	TBD	PI	X	√	√
Advanced Clinical Information System	Kelowna General Hospital	Kelowna	CO	TBD	PI	√	√	√
34 Inpatient Beds - 6th Floor Centennial Building	Kelowna General Hospital	Kelowna	CO	\$14	PI	√	√	√
MRI	Kootenay Boundary Regional Hospital	Trail	WKB	\$6	PI	√	X	√
CT Scanner (additional)	Penticton Regional Hospital	Penticton	OS	TBD	PI	√	√	√
Redevelopment	Queen Victoria Hospital	Revelstoke	NOCS	TBD	RCI	√	X	√
Inpatient Tower Phase III	Royal Inland Hospital	Kamloops	T	TBD	PI	√	√	√
Laboratory Renovation	Royal Inland Hospital	Kamloops	T	10.0	RCI	√	X	√
Critical Care and IP Redevelopment	Shuswap Lake Hospital	Salmon Arm	NOCS	\$15	RCI	√	√	√
Advanced Clinical Information System	Vernon Jubilee Hospital	Vernon	NOCS	TBD	PI	√	√	√
CT Scanner (additional)	Vernon Jubilee Hospital	Vernon	NOCS	TBD	PI	√	X	√
MDR Expansion - Level 2	Vernon Jubilee Hospital	Vernon	TBD	TBD	RCI	√	X	√
Medical Imaging Redesign	Vernon Jubilee Hospital	Vernon	NOCS	\$10	RCI	√	X	√

LEGEND

RCI - Routine Capital Investment
PI - Priority Investment

RHD Areas

CC - Cariboo Chilcotin
CO - Central Okanagan
KE - Kootenay East
NOCS - North Okanagan Columbia Shuswap
OS - Okanagan Similkameen
T - Thompson
WKB - West Kootenay Boundary

NOCSRHD BOARD REPORT

TO: Chair and Directors

File No: 8900 42; BL 7

SUBJECT: 2018 NOCSRHD Five Year Financial Plan

DESCRIPTION: Report from Jodi Pierce, Manager, Financial Services, dated March 16, 2018.

RECOMMENDATION #1: THAT: Bylaw No. 70, cited as "2018 North Okanagan/Columbia Shuswap Regional Hospital District Bylaw No. 70", be read a first, second and third time this 27th day of March, 2018.

RECOMMENDATION #2: THAT: Bylaw No. 70, cited as "2018 North Okanagan/Columbia Shuswap Regional Hospital District Bylaw No. 70", be adopted this 27th day of March, 2018.

SHORT SUMMARY:

Attached is the proposed 2018 Five Year Financial Plan for the North Okanagan Columbia Shuswap Regional Hospital District. This financial plan includes all traditionally funded capital initiatives and all previously approved projects, in the amended Capital Funding request submitted February 14, 2018 in the amount of \$2,658,400, and further amended via email on March 16, 2018.

VOTING:	Unweighted Corporate	<input type="checkbox"/>	Weighted Corporate	<input checked="" type="checkbox"/>	Stakeholder (Weighted)	<input type="checkbox"/>
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POLICY:

An annual budget must be approved by March 31st each year and a provisional budget must be approved by December 31st each year as required by section 23 of the Hospital District Act. The 2018 Five Year Financial Plan serves as both documents.

FINANCIAL:

The 2018 Five Year Financial Plan is produced in the same format as previous years and is compliant with PSAB requirements. The current year actuals, as per the Annual Financial statements, are compared to the related budget and are projected out based on reasonable estimates for five years to meet the requirement to approve a provisional budget by December 31st.

On December 12, 2017, a Capital Funding request letter was submitted in the amount of \$4,401,600. This request was substantially higher than the \$2.7 million indicated in the planning letter received in February 2017 and contrary to the letter issued by the Board dated June 26, 2017 which requested that Interior Health "be very mindful of its capital request submissions in future years, particularly in the years 2018 through 2020." Staff responded to the initial request letter and asked that an amended Capital Funding request letter be submitted that would be within the \$2.7 million dollars as per the planning letter received in February. The amended request was received and is the document on which this Five Year Financial Plan was based. Year two of this budget currently uses the \$2.8 million as per the planning letter of February 2017, however, subsequent to the development of this budget a new planning letter was received (and included in the agenda) that indicates the funding request for 2019/2020 may be \$4 million. This represents a 48% increase over the current year budget and the Board will have to determine: 1) if those increases can be accommodated; 2) whether long-term borrowing will be a possible

source of funding for any projects; or 3) if they wish staff to communicate with Interior Health that these increases to funding requests are not sustainable and request that Interior Health further fine tune the funding requests to a sustainable level.

For the purposes of the five year plan, staff has projected increases in funding requests for years 4 and 5 at 2.5% per year; these increases will be adjusted annually to agree to the actual requests received from Interior Health.

The annual deficit projected for 2018 is due primarily to the completion of two capital projects that are to be funded using borrowing as the source of funding. Borrowing is not considered a revenue stream and these projects have not yet been completed. In years following, the annual surplus component of the budget includes actuarial adjustments; but not transfers from reserves, debt payments nor proceeds from additional debt. These comparisons are necessary for internal financial reporting purposes. To arrive at a balanced financial plan per the Hospital District Act requirements, the transfers from reserves, debt payments and proceeds from additional debt are added or subtracted to the annual surplus or deficit as determined under PSAB requirements.

The overall proposed 2018 tax requisition is a 1.5% increase over 2017 which when applied across jurisdictions can range from -0.5% in Sicamous to 8% in the City of Revelstoke due to changes in assessments. This financial plan is projecting to eliminate the use of excess cash reserves over the next four years as current taxation does not cover all expenditures, including debt payments.

The tax rate implication is a decrease in the mill rate from \$0.2741/\$1,000 assessment in 2017 to \$0.2619/\$1,000 in 2018. The average residential tax would increase from \$87.03 per average residence assessed at \$317,500 in 2017 to \$91.87 per average residence assessed at \$350,765 in 2017.

KEY ISSUES/CONCEPTS:

The 2018 Five Year Financial Plan includes the following:

1. Total Tax Requisition has increased by 1.5% to \$7,771,656 (2017 - \$7,654,858).
2. The financial plan includes annual IHA capital expenditure request of \$2,658,400 for the current year. Prior approved capital expenditures carried over from previous years to 2018 is \$6,160,665 which includes completion of the Polson Tower project and the MRI project.
3. Transfer from reserves in the amount of \$1,750,000.
4. Budget indicates a deficit of \$3,774,122 (2017 – deficit of \$4,137,467) largely as a result of projects that have been carried forward for completion that were budgeted and taxed for in prior years and/or using borrowing as a source of funding.
5. Final 2017 Tax Requisition will change slightly utilizing BC Assessment 2018 Revised Roll (and 2017 Final roll) due March 31st 2018 (current rates have been calculated using the 2018 Completed Roll)
6. The RHD does not fund Hospital operating expenditures which are the responsibility of IHA.

IMPLEMENTATION:

The approved budget will be implemented upon adoption and will provide the authority for expenditures.

COMMUNICATIONS:

The approved annual budget will be distributed to member Municipalities, Interior Health and various Provincial Ministries as well as posted on the CSRD website.

DESIRED OUTCOMES:

That the 2018 NOCSRHD Five Year Financial Plan in the amount of \$12,353,140 be approved.

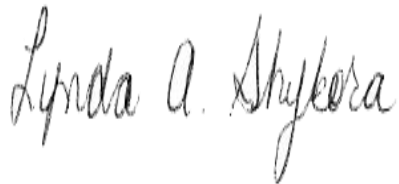
BOARD'S OPTIONS:

1. *Endorse the Recommendation.*
2. *Deny the Recommendation.*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*

Report Approval Details

Document Title:	2018-03-27_NOCSRHD_2018 Five Year Financial Plan.docx
Attachments:	<ul style="list-style-type: none">- Five Year Financial Plan Bylaw No. 70.pdf- Adjusted Requisition.pdf- Status of Approved and Proposed Projects.pdf
Final Approval Date:	Mar 20, 2018

This report and all of its attachments were approved and signed as outlined below:



Lynda Shykora - Mar 19, 2018 - 4:00 PM



Charles Hamilton - Mar 20, 2018 - 8:34 AM

**NORTH OKANAGAN COLUMBIA SHUSWAP REGIONAL HOSPITAL DISTRICT
2018 FIVE YEAR FINANCIAL PLAN BYLAW NUMBER 70
SCHEDULE A**

	2017 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
REVENUES:							
Tax Requisition:	\$ 7,654,838	\$ 7,654,838	\$ 7,771,656	\$ 8,074,039	\$ 8,412,338	\$ 8,733,588	\$ 9,156,531
Other:							
Payment in lieu of taxes	17,778	22,200	18,500	18,500	18,500	18,500	18,500
Interest	37,892	25,000	35,000	35,000	35,000	35,000	35,000
Actuarial adjustment	569,763	463,417	680,362	795,385	888,953	1,010,150	1,136,194
Service agreements - Indian Bands	72,763	71,500	73,500	74,235	74,977	75,727	76,484
Debenture surplus & debt reserve refund	579						
	8,353,613	8,236,955	8,579,018	8,997,159	9,429,768	9,872,965	10,422,709
EXPENDITURES							
Expenses:							
Administration	91,504	87,000	91,500	91,500	91,500	91,500	91,500
Debenture debt - interest (existing)	3,327,700	3,327,700	3,327,700	3,327,700	3,300,797	3,300,797	3,300,797
Debenture debt - interest (new)		-		283,058	283,058	283,058	283,058
Interim Borrowing MFA - Interest	52,125	143,275	114,875	-	-	-	-
Expenditures under Section 20(2)							
Global Grant	614,700	614,700	617,200	632,700	648,600	664,900	681,600
Capital Equipment - new requests	638,336	3,694,400	1,771,200	1,050,000	1,076,300	1,103,300	1,130,900
Capital Projects - new requests	242,342	460,000	270,000	1,117,300	1,145,300	1,174,000	1,203,400
Capital Equip/Projects - carried forward from prior year	1,036,865	4,047,347	6,160,665	-	-	-	-
	6,003,572	12,374,422	12,353,140	6,502,258	6,545,555	6,617,555	6,691,255
ANNUAL SURPLUS (DEFICIT)	\$ 2,350,041	\$ (4,137,467)	\$ (3,774,122)	\$ 2,494,901	\$ 2,884,213	\$ 3,255,410	\$ 3,731,454
(for financial reporting purposes - PSAB)							
Plus: Transfer from/(to) reserves	(25,061)	1,456,400	1,750,000	950,000	600,000	350,000	-
Proceeds from issue of debt	440,000	5,339,700	4,899,700	-	-	-	-
Less: Debenture debt - Principal payments (existing debt)	(2,195,216)	(2,195,216)	(2,195,216)	(2,195,216)	(2,140,960)	(2,140,960)	(2,140,960)
Debenture debt - Principal payments (new debt)	-	-	-	(454,300)	(454,300)	(454,300)	(454,300)
Actuarial Adjustment	(569,763)	(463,417)	(680,362)	(795,385)	(888,953)	(1,010,150)	(1,136,194)
FINANCIAL PLAN BALANCE	\$ 0	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ 0

NOCSRHD - 2018 TAX REQUISITION

for 2018-2022 FIVE YEAR FINANCIAL PLAN

Member Municipality	2018 Total Assessments	2017 Actual Requisition	2018 Estimated Tax Requisition	+/-	%
City of Armstrong	799,012,641	218,117	225,141	7,024	3.2%
City of Enderby	399,338,267	113,224	117,228	4,004	3.5%
City of Revelstoke	1,591,660,057	469,127	506,832	37,705	8.0%
City of Vernon	8,577,252,770	2,630,653	2,658,244	27,591	1.0%
District of Coldstream	2,573,883,340	641,016	667,524	26,508	4.1%
City of Salmon Arm	3,256,638,460	992,112	1,005,123	13,011	1.3%
Township of Spallumcheen	855,083,478	277,912	277,485	(427)	-0.2%
District of Sicamous	763,479,271	219,160	218,134	(1,026)	-0.5%
Village of Lumby	269,695,015	81,164	82,721	1,557	1.9%
Electoral Areas	7,448,737,310	2,012,353	2,013,224	871	0.0%
	\$ 26,534,780,609	\$ 7,654,838	\$ 7,771,656	\$ 116,818	1.5%

(Assessments from BCAA 2018 COMPLETED ROLL)

Comparison of Total Assessments

Member Municipality	2018 Total Assessments	2017 Total Assessments	+/-	%
City of Armstrong	799,012,641	701,008,340	98,004,301	14.0%
City of Enderby	399,338,267	350,051,569	49,286,698	14.1%
City of Revelstoke	1,591,660,057	1,332,656,871	259,003,186	19.4%
City of Vernon	8,577,252,770	7,677,288,356	899,964,414	11.7%
District of Coldstream	2,573,883,340	2,243,710,745	330,172,595	14.7%
City of Salmon Arm	3,256,638,460	2,900,254,161	356,384,299	12.3%
Township of Spallumcheen	855,083,478	772,698,454	82,385,024	10.7%
District of Sicamous	763,479,271	695,506,322	67,972,949	9.8%
Village of Lumby	269,695,015	238,774,630	30,920,385	12.9%
Electoral Areas	7,448,737,310	6,736,599,602	712,137,708	10.6%
	\$ 26,534,780,609	\$ 23,648,549,050	\$2,886,231,559	12.2%

(COMPLETED Roll)

(REVISED Roll)

Note: 2018 Actual requisiton subject to change based on 2018 revised roll to be received at the end of March 2018

North Okanagan Columbia Shuswap Regional Hospital District

Status of Hospital District Approved & Proposed Projects for 2018/2019 as at December 31, 2017

Facility	Project/Equipment	Budget Category	Total Cost	RHD Cost	Expended in Prior Year(s)	Expended in Current Year	Total Expended	Project	
A - Completed Projects per IHA - Aug 1, 2017 for closed projects at March 31, 2017									
Queen Victoria, Revelstoke	Replace Steam Boiler	Const over \$100K	\$ 450,000	\$ 180,000	\$ 143,534	6,992.85	150,526.80	2015 Budget	62
	Ultrasound	Equip over \$100K	\$ 146,000	\$ 58,400	\$ 55,680		55,680.02	2015 Budget	62
Shuswap Lake, Salmon Arm	Boiler Heating Water System Upgrade	Const over \$100K	\$ 350,000	\$ 140,000	\$ 129,760	5,105.82	134,865.99	2015 Budget	62
Vernon Jubilee	Pathology Frozen Room External Ventilation	Const over \$100K	\$ 99,000	\$ 39,600	\$ 39,600		39,600.00	2014 Budget	60
	Vocera	IMIT	\$ 150,000	\$ 60,000	\$ 59,718		59,717.94	2015 Budget	62
	Plumbing Replacement	Const under \$100K	\$ 99,900	\$ 39,960	\$ -	29,527.33	29,527.33	2015 Budget	62
	Pneumatic Tube Station	Const under \$100K	\$ 68,000	\$ 27,200	\$ -	24,355.22	24,355.22	2015 Budget	62
Regional									
Gateby Care Vernon	HVAC Upgrades (additional in 2015)	Const over \$100K	\$ 445,000	\$ 38,000	\$ 14,068		14,067.96	2015 Budget	62
Enderby Care Centre/Gateby Care	Unified Communications - Telephone Infrastructure	IMIT	\$ 110,000	\$ 44,000	\$ 42,159		42,158.72	2015 Budget	62
Noric House	Heating Boilers (x2)	Const over \$100K	\$ 250,000	\$ 100,000	\$ 81,821		81,821.30	2015 Budget	62
Gateby Care Vernon	HVAC Upgrades	Const over \$100K	\$ 350,000	\$ 140,000	\$ 140,000		140,000.00	2013 Budget	57
			\$ 2,517,900	\$ 867,160	\$ 706,340	\$ 65,981.22	\$ 772,321.28		

B - Fully Funded Projects per NOCSRHD but not officially closed by IHA

Regional									
Global Grant	Equipment between \$5,000 and \$100,000	Global	\$ 1,536,750	\$ 614,700		614,700	614,700	2017 Budget	
Sub-total			\$ 1,536,750	\$ 614,700	\$ -	\$ 614,700	\$ 614,700		

C - In Progress Projects

Queen Victoria, Revelstoke	Replace Isolation Transformers	Construction	\$ 300,000	\$ 120,000		103,459.95	103,459.95	2016 Budget	64
	Wireless Infrastructure Refresh	IMIT	\$ 20,000	\$ 8,000		7,835.93	7,835.93	2016 Budget	64
	Heliport	Const over \$100K	\$ 465,000	\$ 186,000		124,978.10	124,978.10	2017 Budget	
	Video Conferencing Infrastructure Refresh	IMIT	\$ 30,000	\$ 12,000			0.00	2017 Budget	
Shuswap Lake, Salmon Arm	Radiologist Diagnostic Monitor Replacement	IMIT	\$ 42,500	\$ 17,000		16,204.57	16,204.57	2016 Budget	64
	General Radiographic System	Equip	\$ 547,000	\$ 218,800	65,660.02	142,343.52	208,003.54	2016 Budget	64
	C-Arm	Equip	\$ 265,000	\$ 106,000			0.00	2016 Budget	64
	Sterilizer - Low Temp VHP	Equip	\$ 159,000	\$ 63,600			0.00	2017 Budget	

North Okanagan Columbia Shuswap Regional Hospital District

Status of Hospital District Approved & Proposed Projects for 2018/2019 as at December 31, 2017

Facility	Project/Equipment	Budget Category	Total Cost	RHD Cost	Expended in Prior Year(s)	Expended in Current Year	Total Expended	Project	
C - In Progress Projects (cont'd)									
Vernon Jubilee	Polson Tower Completion	Const over \$100K	\$ 29,563,000	\$ 5,525,000	\$ 3,160,246	44,252.96	3,204,499.12	2013 Budget borrow	58
	Diagnostic Imaging Redesign (planning)	Const over \$100K	\$ 150,000	\$ 60,000	\$ -		0.00	2015 Budget	62
	Inpatient Psychiatry Redevelopment (planning)	Const over \$100K	\$ 150,000	\$ 60,000	\$ -	16,558.09	16,558.09	2015 Budget	62
	Chemistry Analyzer	Equip over \$100K	\$ 145,000	\$ 58,000	\$ -		0.00	2015 Budget	62
	Table, Surgery	Equip over \$100K	\$ 144,000	\$ 57,600	\$ -		0.00	2015 Budget	62
	Chillers in South Tower	Construction	\$ 1,200,000	\$ 480,000	302,823.04	154,550.68	457,373.72	2016 Budget	64
	Multi-purpose System	Equip	\$ 1,175,000	\$ 470,000	181,929.34	255,986.54	437,915.88	2016 Budget	64
	General Radiographic System	Equip	\$ 617,000	\$ 246,800		204,104.92	204,104.92	2016 Budget	64
	Laser, CO2	Equip	\$ 195,000	\$ 78,000			0.00	2016 Budget	64
	HVAC Upgrade	Const over \$100K	\$ 600,000	\$ 240,000			0.00	2017 Budget	66
	Wireless Infrastructure Expansion	IMIT	\$ 20,000	\$ 8,000			0.00	2017 Budget	66
	Integrated Chemisty/Immunochemistry Analyzer (add'l in	Equip	\$ 322,000	\$ 70,800			0.00	2017 Budget	66
	Hematology Analyzer	Equip	\$ 170,000	\$ 68,000			0.00	2017 Budget	66
	MRI	Equip/Const over \$1	\$ 7,100,000	\$ 2,840,000		490,087.82	490,087.82	2017 Amended Budge	68
C - In Progress Projects, continued									
<u>Regional</u>									
Various Facilities	Forms on Demand and Patient ID System	IMIT	\$ 286,000	\$ 114,400	86,655.09	15,905.40	102,560.49	2016 Budget	64
VJH/SLGH	Medistations, IH Wide Infrastructure	Equip	\$ 80,000	\$ 32,000	17,810.46	9,681.66	27,492.12	2016 Budget	64
Parkview Place	Vocera Expansion	IMIT	\$ 70,000	\$ 28,000	26,748.90		26,748.90	2016 Budget	64
Pleasant Valley Health Centre	Laser, Retinal, Fibre Optic	Equip	\$ 122,000	\$ 48,800			0.00	2016 Budget	64
Bastion Place	Parking Lot Upgrades	Const under \$100K	\$ 85,000	\$ 34,000		23,269.70	23,269.70	2017 Budget	66
Regional	Corporate Projects over \$100K	IMIT	\$ 684,500	\$ 273,800		126,251.17	126,251.17	2017 Budget	66
Various	Specialized Surgical Services	IMIT	\$ 107,000	\$ 42,800		18,357.10	18,357.10	2017 Budget	66
Regional	Corporate Projects under \$100K	IMIT	\$ 346,500	\$ 138,600		85,986.03	85,986.03	2017 Budget	66
Vernon Health Centre	Wireless Infrastructure Expansion	IMIT	\$ 40,000	\$ 16,000			0.00	2017 Budget	66
Various	Telehealth Expansion	IMIT	\$ 33,250	\$ 13,300			0.00	2017 Budget	66
Various	Telehealth Infrastructure Expansion	IMIT	\$ 30,000	\$ 12,000		11,747.76	11,747.76	2017 Budget	66
Noric House	Wireless Infrastructure Expansion	IMIT	\$ 15,000	\$ 6,000			0.00	2017 Budget	66
Bastion Place	Cooler/Freezer, Walk In	Equip	\$ 135,000	\$ 54,000			0.00	2017 Budget	66
Bastion Place	Resident Bus	Equip	\$ 117,000	\$ 46,800			0.00	2017 Budget	66
Sub-total			\$ 45,530,750	\$ 11,854,100	\$ 3,841,873	\$ 1,851,561.90	\$ 5,693,434.91		
Opening balances				\$ 12,468,800	\$ 3,841,873	\$ 2,532,243			

North Okanagan Columbia Shuswap Regional Hospital District

Status of Hospital District Approved & Proposed Projects for 2018/2019 as at December 31, 2017

Facility	Project/Equipment	Budget Category	Total Cost	RHD Cost	Expended in Prior Year(s)	Expended in Current Year	Total Expended	Project
D - New Projects for 2017/2018								
Queen Victoria, Revelstoke	Parking lot lighting upgrades	Const under \$100K	\$ 90,000	\$ 36,000			0.00	2018 Budget
	Anaesthetic Unit with Monitor	Equip	\$ 120,000	\$ 48,000			0.00	2018 Budget
Shuswap Lake General, Salmon Arm	Electronic Emergency Department Medical Summary	IMIT	\$ 220,000	\$ 88,000			0.00	2018 Budget
	Medistation, IH wide Pyxis replacement	Equip	\$ 489,000	\$ 195,600			0.00	2018 Budget
Vernon Jubilee	Autopsy Suite/Morgue Update - Planning	Const over \$100K	\$ 150,000	\$ 60,000			0.00	2018 Budget
	Access Control System Upgrade	Const under \$100K	\$ 70,000	\$ 28,000			0.00	2018 Budget
	Vocera	IMIT	\$ 180,000	\$ 72,000			0.00	2018 Budget
	Wireless Infrastructure Refresh	IMIT	\$ 99,000	\$ 39,600			0.00	2018 Budget
				\$ -				
Regional								
Noric House	Domestic Hot Water Boiler Upgrade (x2)	Const under \$100K	\$ 85,000	\$ 34,000			0.00	2018 Budget
Pleasant Valley Manor	Water Softener (x2)	Const under \$100K	\$ 60,000	\$ 24,000			0.00	2018 Budget
Regional	IH Wide IMIT	IMIT	\$ 3,274,000	\$ 1,309,600			0.00	2018 Budget
Polson Care Centre	Vocera Expansion	IMIT	\$ 99,000	\$ 39,600			0.00	2018 Budget
Salmon Arm Health Centre	Wireless Infrastructure Expansion	IMIT	\$ 30,000	\$ 12,000			0.00	2018 Budget
Bastion Place	Wireless Infrastructure Refresh	IMIT	\$ 20,000	\$ 8,000			0.00	2018 Budget
Gateby Care Centre/Noric House	Resident Bus	Equip	\$ 117,000	\$ 46,800			0.00	2019 Budget
All Facilities	Equipment under \$100,000 (Global Grant)	Equip	\$ 1,543,000	\$ 617,200			0.00	2018 Budget
Sub-total			\$ 6,646,000	\$ 2,658,400	\$ -	\$ -	\$ -	
TOTAL			\$ 56,231,400	\$ 15,994,360	\$ 4,548,213	\$ 2,532,243.12	\$ 7,080,456	

**NORTH OKANAGAN/COLUMBIA SHUSWAP
REGIONAL HOSPITAL DISTRICT**

BYLAW NO. 70

A bylaw to adopt the Five Year Financial Plan for the period 2018 – 2022, inclusive

The Board of the North Okanagan/Columbia Shuswap Regional Hospital District, in open meeting assembled, HEREBY ENACTS as follows:

1. Schedule "A" attached hereto and made a part of this bylaw is the 2018 Five Year Financial Plan of the North Okanagan/Columbia Shuswap Regional Hospital District for the years 2018 to 2022, inclusive.
2. This bylaw may be cited for all purposes as "2018 North Okanagan/Columbia Shuswap Regional Hospital District Financial Plan Bylaw No. 70."

READ A FIRST TIME this _____ day of _____, 2018.

READ A SECOND TIME this _____ day of _____, 2018.

READ A THIRD TIME this _____ day of _____, 2018.

ADOPTED this _____ day of _____, 2018.

MANAGER OF CORPORATE
ADMINISTRATION SERVICES (SECRETARY)

CHAIR

CERTIFIED a true copy of
Bylaw No. 70, as adopted.

Deputy Manager,
Corporate Administration Services (Secretary)

NOCSRHD BOARD REPORT

TO: Chair and Directors

File No: 8900 42

SUBJECT: 2018 NOCSRHD Capital Expenditure Bylaw No. 71

DESCRIPTION: Report from Jodi Pierce, Manager, Financial Services, dated March 14, 2018.

RECOMMENDATION #1: THAT: Bylaw No. 71, cited as "North Okanagan Columbia Shuswap Regional Hospital District Capital Expenditure Bylaw No. 71", be read a first, second, and third time this 27th day of March, 2018.

RECOMMENDATION #2: THAT: Bylaw No. 71, cited as "North Okanagan Columbia Shuswap Regional Hospital District Capital Expenditure Bylaw No. 71", be adopted this 27th day of March, 2018.

SHORT SUMMARY:

Attached is the Capital Expenditure Bylaw No. 71 to be enacted by the Board as required by Section 32 of the Hospital District Act.

VOTING:

Unweighted ☐
Corporate

Weighted ☒
Corporate

Stakeholder ☐
(Weighted)

POLICY:

Section 32 of the Hospital District Act says that a Board that proposes to spend money to meet capital expenditures must prepare and enact a capital bylaw permitting the spending of that money.

FINANCIAL:

The 2018 Five Year Financial Plan includes an additional \$2,658,400 in capital expenditures as submitted by Interior Health for the 2018/19 fiscal year. These expenditures will be funded through monies budgeted in the current year of operation.

IMPLEMENTATION:

The approved bylaw will authorize the Treasurer to settle the terms and conditions of the expenditures.

COMMUNICATIONS:

The approved Capital Expenditure Bylaw will be distributed to Interior Health and various Provincial Ministries as well as posted on the CSRD website as part of the Five Year Financial Plan.

DESIRED OUTCOMES:

That the North Okanagan Columbia Shuswap Regional Hospital District Capital Expenditure Bylaw No. 71 in the amount of \$2,658,400, as described in Schedule "A", be approved.

BOARD'S OPTIONS:

1. *Endorse the Recommendation.*

2. *Deny the Recommendation.*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*

Report Approval Details

Document Title:	2018-03-27_NOCSRHD_Capital Expenditure Bylaw No. 71.docx
Attachments:	- Schedule A of Capital Expenditure Bylaw No. 71.pdf
Final Approval Date:	Mar 16, 2018

This report and all of its attachments were approved and signed as outlined below:



Lynda Shykora - Mar 15, 2018 - 8:57 AM



Charles Hamilton - Mar 16, 2018 - 8:20 AM

**NORTH OKANAGAN/COLUMBIA SHUSWAP
REGIONAL HOSPITAL DISTRICT**

CAPITAL EXPENDITURE BYLAW NO. 71

WHEREAS the Board of the North Okanagan/Columbia Shuswap Regional Hospital District proposes to expend money for the capital expenditures described in Schedule "A" attached hereto and forming an integral part of this bylaw;

AND WHEREAS those capital expenditures have received the approval required under Section 23 of the Hospital District Act;

NOW THEREFORE the Board of the North Okanagan/Columbia Shuswap Regional Hospital District enacts the following capital expenditure bylaw as required by Section 32 of the Hospital District Act:

1. The Board hereby authorizes and approves expenditure of money necessary to complete the capital expenditures as described in Schedule "A" attached hereto totaling \$2,658,400.
2. The payment of the portion that the Regional Hospital District is responsible for, shall be funded through monies budgeted in the current year of operation.
3. Board hereby delegates the necessary authority to the Treasurer to settle the terms and conditions of the expenditure.
4. This bylaw may be as the "North Okanagan/Columbia Shuswap Regional Hospital District Capital Expenditure Bylaw No. 71."

READ A FIRST TIME this _____ day of _____, 2018.

READ A SECOND TIME this _____ day of _____, 2018.

READ A THIRD TIME this _____ day of _____, 2018.

ADOPTED this _____ day of _____, 2018.

MANAGER OF CORPORATE ADMINISTRATION
SERVICES (SECRETARY)

CHAIR

CERTIFIED a true copy of
Bylaw No. 71 as adopted.

Deputy Manager,
Corporate Administration Services (Secretary)

SCHEDULE "A"

NORTH OKANAGAN/COLUMBIA SHUSWAP REGIONAL HOSPITAL DISTRICT

CAPITAL EXPENDITURE BYLAW NO. 71

Facility	Location	Equipment/Project Description	Total Budget	RHD Share	2018/19 Funding Request
<u>Construction Projects over \$100,000</u>					
Vernon Jubilee Hospital	Vernon	Autopsy Suite/Morgue Update - Planning	\$ 150,000	\$ 60,000	\$ 60,000
<u>Construction Projects under \$100,000</u>					
Queen Victoria Hospital	Revelstoke	Parking Lot Lighting Upgrade	90,000	36,000	36,000
Noric House	Vernon	Domestic Hot Water Boiler Upgrade (x2)	85,000	34,000	34,000
Vernon Jubilee Hospital	Vernon	Access Control System Upgrade	70,000	28,000	28,000
Pleasant Valley Manor	Armstrong	Water Softener (x2)	60,000	24,000	24,000
<u>IH-Wide IMIT</u>					
Regional		Various	3,274,000	1,309,600	1,309,600
<u>IMIT over \$100,000</u>					
Shuswap Lake General Hospital	Salmon Arm	Electronic Emergency Department Medical Summary	220,000	88,000	88,000
Vernon Jubilee Hospital	Vernon	Vocera Expansion and Integration	180,000	72,000	72,000
<u>IMIT under \$100,000</u>					
Polson Care Centre	Vernon	Vocera Expansion and Integration	99,000	39,600	39,600
Vernon Jubilee Hospital	Vernon	Wireless Infrastructure Refresh	99,000	39,600	39,600
Salmon Arm Health Centre	Salmon Arm	Wireless Infrastructure Expansion	30,000	12,000	12,000
Bastion Place	Salmon Arm	Wireless Infrastructure Refresh	20,000	8,000	8,000
<u>Equipment over \$100,000</u>					
Shuswap Lake General Hospital	Salmon Arm	Medstations, IH-Wide Pyxis Replacement, Phase 3	489,000	195,600	195,600
Queen Victoria Hospital	Revelstoke	Anaesthetic Unit with Monitor	120,000	48,000	48,000
Gateby Care Centre/Noric House	Vernon	Resident Bus	117,000	46,800	46,800
<u>Equipment Under \$100,000 (Global Grant)</u>					
All Facilities		Equipment between \$5,000 and \$100,000	1,543,000	617,200	617,200
Total			\$ 6,646,000	\$ 2,658,400	\$ 2,658,400