

NOCSRHD BOARD REPORT

TO: Chair and Directors

File No: 8900 42

SUBJECT: 2023 Five Year Financial Plan

DESCRIPTION: Report from Jodi Pierce, Manager, Financial Services, dated January 11, 2023. For information and consideration changes.

RECOMMENDATION: THAT: the Board approve a 3.9% tax increase for the 2023 tax year.

SHORT SUMMARY:

Staff have received the Interior Health Authority 2022/2023 Capital Request letter dated December 15, 2022 and have drafted a proposed budget for consideration.

BACKGROUND:

On December 16, 2022, the North Okanagan Columbia Shuswap Regional Hospital District received the 2023/2024 annual capital requests from the Interior Health Authority (included on the agenda). This document detailed a request in the amount of \$7,113,000 (2022 - \$4,888,500). This amount is more than the High Level Funding Estimates letter received January 21, 2021 that indicated the funding request for 2023/2024 would be approximately \$5.4 million. However, approximately \$1,050,000 of the current year request is due to increased costs. While staff have not confirmed that the cause of the increases is tied to inflationary pressures, one can reasonably attribute that inflation would indeed play a part given that the current inflation rate is the highest it has been since 1991.

Based on this funding request, staff have recommended a 3.9% increase to taxes for the 2023 taxation year. A 3.9% increase will allow a contribution to reserves of approximately \$750,000 for the significant projects that have been discussed and are in various stages of planning and conceptualization. This represents an increase of \$13.74 to the average residential taxpayer based on the average residential property assessment of \$622,495.

Staff feel that this a prudent, responsible position to take knowing that there could be significant projects in the next few years.

POLICY:

In accordance with the Hospital District Act, the 2023-2027 Five Year Financial Plan must be approved by March 31, 2023. The current option has been provided using the 2023 Completed Roll for assessment purposes.

FINANCIAL:

Should the Board support the 3.9% tax increase, there would be an increase of \$13.74 on the average residential taxpayers other than those whose assessments vary significantly from the average residential assessment of \$622,495 (2022 - \$546,993) as the mill rate would decrease from \$.2584/\$1,000 in 2022 to approximately \$.2491/\$1,000 in 2023.

DESIRED OUTCOMES:

That the Board support the staff recommendation to have a 3.9% tax increase for the 2023 tax year.

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:	2023-01-24_NOCSRHD 2023 Five Year Financial Plan Draft 1.docx
Attachments:	- 2023 Budget Planning Worksheet - Draft 1.pdf - Status of Approved and Proposed Projects 2023 - Draft 1.pdf
Final Approval Date:	Jan 16, 2023

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



Jennifer Sham



John MacLean