

NOCSRHD BOARD REPORT

TO: Chair and Directors **File No:** 8900 42
BL87, 2025

SUBJECT: 2025 NOCSRHD Five Year Financial Plan

DESCRIPTION: Report from Jodi Pierce, General Manager, Financial Services, dated February 27, 2025. Bylaw for adoption.

RECOMMENDATION #1: THAT: Bylaw No. 87, 2025, cited as "2025 North Okanagan/Columbia Shuswap Regional Hospital District Financial Plan Bylaw No. 87, 2025, be read a first, second and third time, this 25th day of March, 2025.

Corporate Vote Weighted

RECOMMENDATION #2: THAT: Bylaw No. 87, 2025, cited as "2025 North Okanagan/Columbia Shuswap Regional Hospital District Financial Plan Bylaw No. 87, 2025, be adopted, this 25th day of March, 2025.

Corporate Vote Weighted

SUMMARY:

Attached is the proposed 2025 Five Year Financial Plan for the North Okanagan Columbia Shuswap Regional Hospital District. This financial plan includes all previously approved but uncompleted projects, all traditionally funded capital initiatives and all projects in the Capital Funding request submitted December 16, 2024.

BACKGROUND:

On December 16, 2024, a Capital Funding request letter was submitted to the North Okanagan Columbia Shuswap Regional Hospital District in the amount of \$7,442,410 (2024 - \$7,442,410). At a budget meeting held on January 28, 2025 a preliminary budget was presented to the Board that reflected a 1.9% tax increase. The Board supported the staff recommendation to proceed to develop the budget with a 1.9% increase as presented.

The budget has not changed since January 28. After finalization of the year end, a 1.9% tax increase will allow for a contribution to reserves of approximately \$2,550,000 for the significant projects that have been discussed and are in various stages of planning and conceptualization. Previous discussions with the Board indicated support for building reserves to offset some larger capital projects that are on the horizon.

POLICY:

An annual budget must be approved by March 31st of 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 2025 Five Year Financial Plan serves as both documents.

FINANCIAL:

The 2025 Five Year Financial Plan is produced in the same format as previous years and is compliant with Public Sector Accounting Board (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 31.

The annual deficit projected for 2025 is due, in large part, to the projects that had previously been approved but have not yet been completed and will require reserve funds to complete. In years following, the annual surplus component of the budget includes actuarial adjustments; but not transfers to 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 2025 tax requisition is a 1.9% increase over 2024 which when applied across jurisdictions can range from a decrease of 2.7% in the City of Armstrong to an increase of 5.5% in the City of Revelstoke due to changes in assessments. This financial plan is projecting approximately 2% increases in taxation in the next four years but will be reconsidered annually. This will allow the Hospital District to cover all expenditures, including debt payments and accumulate cash reserves for the significant projects on the horizon.

The tax rate implication is a increase in the mill rate from \$0.2371/\$1,000 assessment in 2024 to \$0.2432/\$1,000 in 2025. The average residential tax would increase from \$149.92 per average residence assessed at \$632,290 in 2024 to \$155.66 per average residence assessed at \$639,981 in 2025.

KEY ISSUES/CONCEPTS:

The 2023 Five Year Financial Plan includes the following:

1. Total Tax Requisition has increased by 1.9% to \$13,268,332 (2024 - \$13,027,072).
2. The financial plan includes annual IHA capital expenditure request of \$5,525,200 for the current year. Prior approved capital expenditures carried over from previous years to 2025 is \$16,000,822 which includes completion of the Electrical Upgrade project at Vernon Jubilee Hospital.
3. Transfer to reserves in the amount of \$2,550,000.
4. Budget indicates a deficit of \$8,341,197 (2024 – deficit of \$6,985,359) largely because of projects that have been carried forward for completion that were budgeted and taxed for in prior years.
5. Final 2025 Tax Requisition will change slightly utilizing BC Assessment 2025 Revised Roll (and 2024 Final roll) due March 31, 2025 (current rates have been calculated using the 2025 Completed Roll)
6. The Regional Hospital District does not fund Hospital operating expenditures which are the responsibility of the Interior Health Authority.

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 2025 NOCSRHD Five Year Financial Plan in the amount of \$23,398,865 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:	2025-03-25_NOCSRHD_FIN 2025 Five Year Financial Plan Bylaw No. 87, 2025.docx
Attachments:	- BL87, 2025 2025 NOCSRHD Five Year Financial Plan.pdf - Bylaw No 87, 2025 Estimated Tax Requisition - Completed Roll.pdf - Status of Approved and Proposed Projects - Bylaw No 87, 2025.pdf
Final Approval Date:	Mar 18, 2025

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



Jennifer Sham



John MacLean