

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

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 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

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

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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:

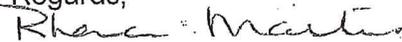
Re: Capital Funding Requests

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

<i>Anticipated Funding from Ministry of Health to Interior Health</i> (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

<i>North Okanagan Columbia Shuswap (NOCS)</i> (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

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.

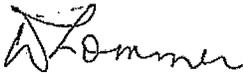
Attached please find the prioritized listing of IH's major planned capital projects consisting of:

- 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.
MRI & Diagnostic Imaging	Vernon Jubilee Hospital	Vernon	NOCS	\$15	PI	Concept design complete; schematic design needed to finalize cost estimate; require MOH approval to continue planning work.
Redesign	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