

**PEACE RIVER HOSPITAL
REGIONAL DISTRICT**

Report

To: Chair and Directors of the Peace River Regional Hospital District
From: Kim Frech, Chief Financial Officer
Date: 18 February 2010
Re: Hospital Draft Budget

HR-1

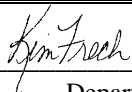
Attached is a Draft 2010 Hospital Budget based on information in the Funding Request from Northern Health that will be presented at by Mike Hoefer at the February 25th Hospital Board meeting.

This Draft Budget is provided to enable the Board to see the effect of Northern Health's capital request in connection with the debt payments and other Hospital expenditures including medical recruitment.

Based on the information contained in this Draft Budget, the requisition will increase by 4.7% and the rate will decrease by 1.9%.

Northern Health's request for this year is less than the allowable maximum of \$1.5m but the following year is higher than the allowable maximum. Therefore, there will probably be an adjustment in the final budget when it is presented to increase this year's request to the maximum and reduce accordingly next years to help lower it to below the maximum.

February 25, 2010



Department Head



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**Peace River Regional HOSPITAL District
2010 ANNUAL BUDGET**

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HR-1

**2010
Annual Budget**

Revenue

Tax Requisition - Electoral Area	\$	7,010,070
Tax Requisition - Municipal	\$	4,107,291
Grants-in-lieu of taxes	\$	2,500
Loan/Debenture Proceeds	\$	8,208,045
Investment Income and Refunds	\$	50,000
Short Term Borrowing	\$	32,159,557
Total Revenue	\$	51,537,463

Expenditures

Administrative Costs	\$	10,000
Debenture - Interest	\$	2,061,297
Debenture - Principal	\$	1,319,648
Short Term Borrowing - Interest	\$	600,000
Hospital Grant	\$	44,767,602
Annual Grant (Equipment & Projects - maximum annual amount)	\$	1,500,000
Building Integrity	\$	31,667
IT - Clinical Information Systems	\$	147,250
Medical Recruitment Grant	\$	100,000
Transfer to Capital Reserve	\$	1,000,000
Total Expenditures	\$	51,537,463

Certified a true and correct copy of the Peace River Regional Hospital District
2010 Annual Budget.

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Kim Frech,
Chief Financial Officer

	2010	NOTES	2011	2012
Revenue				
Tax Requisition - Electoral Area	\$ 7,010,070	63.06%	10,586,528	10,633,350
Tax Requisition - Municipal	\$ 4,107,291	36.94%		
Grants-in-lieu of taxes	\$ 2,500	Leave as LY budget for unknowns	2,500	2,500
Loan/Debenture Proceeds	\$ 8,208,045			83,000,000
Investment Income and Refunds	\$ 50,000	Previously larger due to having the Rotary Manor debenture funds in our account. Won't have for 2010	20,000	20,000
Debenture Reserve Refund	\$ -			
Short Term Borrowing	\$ 32,159,557	For cash flow purposes. Payment to NH \$9,600,000 plus the interest of approx. \$625,000	42,465,000	30,310,000
Total Revenue	\$ 51,537,463		\$ 53,074,028	\$ 123,965,850
	0.596 CL 1 (Res) Rate			
Expenditures				
Administrative Costs	\$ 10,000	Audit \$4,500; Admin Fee to RD \$5,000 for administration and travel/meetings; Miscellaneous \$500	10,000	10,000
Debenture - Interest	\$ 2,061,297	Per MFA Debt Payment Schedule (CW report Jan. 26/10) + \$600K New Hospital Debenture Interest	1,430,425	6,384,716
Debenture - Principal	\$ 1,319,648	Per MFA Debt Payment Schedule (CW report Jan. 26/10)	1,305,029	3,063,467
Short Term Borrowing - Interest	\$ 600,000	For cash flow purposes will require short-term borrowing.	1,205,000	87,000
Short Term Borrowing - Principal		Deducted from the \$98M maximum contribution		83,000,000
New FSJ Hospital Grant	\$ 44,767,602	Progress Payments of the total \$98 million project	46,260,000	30,223,000
Annual Capital Grant (Max \$1.5m)				
Minor Equipment < \$100,000	566,000	Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)	566,000	566,000
Major Equipment > \$100,000				
Ultra Sound Units	54,734	Remainder to raise from Last Year due to total over \$1.5M. Last year \$225,266 for total \$280,000		
Anaesthetic Unit - Dawson Creek	64,000	Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)		
Diagnostic Imaging (2) - Dawson Creek	156,000	Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)		
PACS upgrade - NE	286,000	Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)		
Diagnostic Imaging (2) - Fort St. John		Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)	168,000	
Mammo Unit & Processor - Dawson Creek		Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)	340,200	
Mammo Unit & Processor - Fort St. John		Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)	340,200	
Bone Densitometer - Dawson Creek		Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)	52,000	
Computer Radiography - Hudson's Hope		Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)	100,000	
Major Projects:				
DC Vocera Communication System	\$ 92,000	Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)		
DC Hospital Modification to Basement		Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)	288,000	
DC Hospital Parking Improvements		Per NH Schedule 20-01-10 (included in the \$1.5 million annual maximum)	230,256	
Building Integrity			31,667	31,667
Maximum Annual Grant >>	1,218,734	\$ 1,500,000 Maximum Annual Grant \$1.5M (Future if over \$1.5M will require adjustments based on NH requests)	2,116,323	597,667
Building Integrity	\$ 31,667	Per NH Capital Plan (20-01-10) After 2010 these costs are included in the \$1.5M annual maximum		
IT - Clinical Information Systems	\$ 147,250	Per NH Schedule 20-01-10. The current project funding ends in 2010. If additional contributions starting in 2011 it is to be included in the annual \$1.5 maximum.	147,250	-
Medical Recruitment Grant	\$ 100,000	Same budget amount every year. Maximum payment for medical recruitment	100,000	100,000
Transfer to Capital Reserve	\$ 1,000,000	Building a reserve for future capital projects	500,000	500,000
Total Expenditures	\$ 51,537,463		53,074,028	123,965,850
	\$ 11,117,361	Total Tax Requisition	\$ 10,586,528	\$ 10,633,350
In 2014 debentures reduce approx. \$600,000 and in 2015 another \$400,000 meaning in 2015 there would be room for a major project debenture to start with payments approximately \$1 million (ie:				

**PEACE RIVER REGIONAL HOSPITAL DISTRICT
2010 REQUISITION**

HR-1

Pursuant to the provisions of Sections 805(1) and 806(1) of the Local Government Act and the Peace River Hospital District Bylaw No. 180, 2008 the amounts set out below, and supported by the attached requisition, are hereby requisitioned from the undernoted member areas for use of the Peace River Regional Hospital District during the year 2010.

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Basis of Apportionment: Assessment as fixed for taxation for Regional District taxation purposes

Tax Rate or Other Limitations: None

	Requisition Amount	Tax Rate Per 1000	Figures for Apportionment	Percent	Prior Year Adjustment	FINAL TOTAL
District of Tumbler Ridge	\$ 394,707	0.596	\$ 66,270,617	3.55%	\$ (366)	\$ 394,341
City of Dawson Creek	\$ 973,191	0.596	\$ 163,397,089	8.75%	\$ (376)	\$ 972,815
District of Hudson's Hope	\$ 140,228	0.596	\$ 23,544,078	1.26%	\$ 3,890	\$ 144,118
City of Fort St. John	\$ 2,033,720	0.596	\$ 341,458,001	18.29%	\$ 1,546	\$ 2,035,266
District of Taylor	\$ 233,094	0.596	\$ 39,136,028	2.10%	\$ (101)	\$ 232,993
Village of Pouce Coupe	\$ 36,211	0.596	\$ 6,079,751	0.33%	\$ 199	\$ 36,410
District of Chetwynd	\$ 291,122	0.596	\$ 48,878,941	2.62%	\$ 225	\$ 291,348
Electoral Area B	\$ 3,672,856	0.596	\$ 616,666,032	33.04%	\$ (6,936)	\$ 3,665,920
Electoral Area C	\$ 900,468	0.596	\$ 151,187,030	8.10%	\$ (2,274)	\$ 898,195
Electoral Area D	\$ 1,363,443	0.596	\$ 228,919,742	12.26%	\$ 2,565	\$ 1,366,008
Electoral Area E	\$ 1,078,320	0.596	\$ 181,047,981	9.70%	\$ 1,627	\$ 1,079,947
Total	\$ 11,117,361		\$ 1,866,585,290	100.00%	\$ 0	\$ 11,117,361

Budget After Prior Year Adjustment		
Municipal Requisition:	\$ 4,107,291	
Electoral Area Requisition:	\$ 7,010,070	CL 1 Rate
Total Requisition:	\$ 11,117,361	0.596

	Last Year	Change %	Change \$
Requisition	\$ 10,619,464	4.7%	\$ 497,897
Assessment	\$ 1,749,499,837	6.7%	\$ 117,085,453
Tax Rate	\$ 0.607	-1.9%	\$ (0.011)

February 25, 2010