



Committee Report

To:	Chair and Members of the Committee of Management
Committee Date:	August 23, 2022
Subject / Report No:	LTCR-CM-14-22
Title:	2023-2032 Long-Term Care Ten Year Capital Forecast
Prepared by:	Shannon Cox, Executive Director Grey Gables Stacey Goldie, Executive Director Lee Manor Karen Kraus, Executive Director Rockwood Terrace Markus Hawco, Manager Finance, Long Term Care
Reviewed by:	Jennifer Cornell, Director of Long Term Care Mary Lou Spicer, Director of Finance Sue Murray, Deputy Treasurer
Lower Tier(s) Affected:	All Grey County
Status:	Recommendation adopted by Committee as presented per Resolution CC76-22; Endorsed by County Council on September 22, 2022, per Resolution CC78-22.

Recommendation

1. That report LTCR-CM-14-22 regarding the Long-Term Care 2023-2032 Draft Ten Year Capital Forecast be received; and
2. That it be forwarded for inclusion in the 2023-2032 Corporate Ten Year Capital Forecast for consideration by County Council; and
3. That the projects proposed in the first year of the 2023- 2032 forecast be used for planning purposes for the 2023 Budget.

Executive Summary

This report provides anticipated capital expenditures for County of Grey long-term care homes over a ten-year planning horizon, from 2023 to 2032. The capital forecast submissions set out proposed plans and rationale for future capital spending.

The 2021 Building Condition Assessment and Reserve Fund (BCAs) recommendations were used as a starting point in developing the capital forecast; this has resulted in the addition of projects and, in some cases, changes to the recommended timing of work. Costing for proposed

projects has been adjusted to reflect the current and anticipated market value for the projects. Current assumptions use a standard 2% inflation and increase on top of the proposed BCA cost in future years.

Reductions were made on a one-time basis during the 2022 budget process in order to reduce the impact of operating budget pressures. The table below shows the proposed capital levy requirement for Grey Gables and Lee Manor in 2023, being in line with the previous capital forecast prior to the one-time adjustment. Given the pending redevelopment of Rockwood Terrace, capital requirements for 2023 are held to the reduced amount. The Long-Term Care proposed 2023 capital levy requirement is summarized as follows:

Care Home	2022 Proposed 10 Year Capital	2022 Approved Budget	2023 Proposed 10 Year Capital	Increase over 2022 Approved Budget
Grey Gables	\$299,200	\$193,800	\$305,200	\$111,400
Lee Manor	\$232,600	\$159,700	\$214,500	\$54,800
Rockwood Terrace	\$307,700	\$145,600	\$145,600	\$0
Redevelopment	\$1,361,000	\$1,361,000	\$1,361,000	\$0
Total	\$2,200,500	\$1,860,100	\$2,026,300	\$166,200

As a result, the Long-Term Care proposed 2023 capital requirement reflects an increase of \$166,200 or an 8.9% increase over the 2022 approved capital budget.

Background and Discussion

There are several recurring projects common to the three homes including: High-Low Beds, Resident Lifts, and Information Technology. The beds and lifts are on a replacement cycle and support resident and staff safety. Computers are used by every department and follow a replacement schedule as recommended by the Information Technology department.

Annual reserve contributions are recommended in the 2021 BCA to ensure adequate funds are available for the replacement of building and equipment components in the future. An analysis of each of the homes' capital reserves has been completed, and a project sheet is included in the package for each home that outlines a plan for future transfers to reserves to address future funding requirements. With the preparation of the 2023-2032 ten-year capital forecast, staff have reviewed projects recommended in the BCA reports as compared with their own observations and have made revisions/deletions and additions to the ten-year capital forecast. These changes are outlined below with particular attention paid to 2023-2025.

Capital project sheets have been updated from last year. Major changes include the addition of impacts on the operating budget, procurement timing, consultation with IT staff, and climate change considerations. Staff have identified opportunities for climate change where possible, but the costing of these projects are unknown at this time and are not included in this ten-year

capital plan. Other considerations for the development of the proposed capital sheets include safety, legislation, and normal life cycle replacement.

Grey Gables

Grey Gables was constructed in 1998 and is now 24 years old; during the 2022 budget preparation, the capital levy requirement was reduced by \$99,500 to \$193,800 to assist with operating budget pressures. The capital forecast reflects a proposed levy requirement of \$305,200, recommending a return to the previous funding level and requires an increase of \$111,400 or a 57.5% increase over the 2022 approved budget.

The changes that impact 2023-2025 are outlined in the following table.

Project	Cost	Year Scheduled
Doors (entrance, interiors, systems) <ul style="list-style-type: none"> Project was budgeted in 2022 and is being carried forward due to challenges in completing work during COVID-19 restrictions Project cost increased by \$20,000 	\$70,000	2023
Retaining Wall (carried over from 2021 in Report FR-CW-05-21)	\$40,000	2023
Air Make Up System (new project) <ul style="list-style-type: none"> BCA recommends replacement at end of expected service life Project funded with safe restart funding 	\$41,000	2023
Service Buildings (Gazebo) <ul style="list-style-type: none"> Previously budgeted in 2027 for \$6,000 	\$10,000	2023
Exit Signage (new project) <ul style="list-style-type: none"> Replace signage with LED green running man signs 	\$30,000	2024
Project	Cost	Year Scheduled
Outdoor Signage (new project) <ul style="list-style-type: none"> Signage for all tenants and Grey Gables 	\$30,000	2023

<ul style="list-style-type: none"> Partnership with the Hospital 		
Nurse Call Upgrades Moved project forward from 2025 to 2024 to coincide with procurement for a similar system for the Rockwood redevelopment	\$125,500	2024
Common and Staff Washrooms <ul style="list-style-type: none"> BCA recommendation for extending useful life Washrooms show age and appearance is poor 	\$77,000	2024
Parking lots, curbs and Guards Date moved to coordinate with Markdale Hospital	\$490,900	2025
Surface Drainage and Eavestroughs <ul style="list-style-type: none"> Replacement work of flood prevention and proper flow Slated for 2025 to be done in conjuncture with the Markdale Hospital	\$37,800	2025

Lee Manor

Lee Manor was constructed in 1973 and had a major renovation and addition in 2004-2006. The proposed levy requirement of \$214,500 is an increase of \$54,800 or 34.3% as compared to the 2022 approved capital budget of \$159,700. Similar to Grey Gables, the 2022-2031 ten-year capital forecast presented a proposed 2023 levy requirement of \$232,600, and reductions were made during the 2022 budget process.

The changes that impact 2023-2025 are outlined in the following table.

Project	Cost	Year Scheduled
Floor Replacement <ul style="list-style-type: none"> Previous forecast recommended \$45,900 in 2022 	\$61,800	2023
Whirlpool Tubs <ul style="list-style-type: none"> Whirlpool and flooring underneath are at end of life and need replacement 	\$90,000 in 2023, \$50,000 in 2025	2023 & 2025

Project	Cost	Year Scheduled
New dates from previous year budget		
Draperies/Blinds <ul style="list-style-type: none"> • Previous forecast recommended \$30,000 in 2022, removed during 2022 budget process 	\$25,000	2023
Camera Replacement <ul style="list-style-type: none"> • Replacing cameras that are at end of life and poor quality • Enhancing security and removing blind spots 	\$7,500	2023
Lighting Audit <ul style="list-style-type: none"> • Lighting Assessment to upgrade lights to LED • Ensures proper spacing and most efficient lighting layout to meet standards and be financially responsible 	\$4,000	2024
Furniture- Resident Lounge and Dining Rooms Lounge furniture needing to be replaced after disposing of Non Infection and Prevention Control (IPAC) safe furniture	\$20,000	2024
Resident Common area and staff area <ul style="list-style-type: none"> • A consultant will be utilized for design of best use of space • Pushed to 2024 to determine if tenant will renew lease (will impact square footage available) 	\$25,000	2024
Paging System <ul style="list-style-type: none"> • Moved from 2022 to 2024 	\$25,000	2024
Roof Section <ul style="list-style-type: none"> • Portion of the roof is needing work based on BCA 	\$208,620	2024

Project	Cost	Year Scheduled
<ul style="list-style-type: none"> Condition assessment from third party will be conducted prior to developing 2024 budget 		
Prefinished Metal Siding- Auditorium <ul style="list-style-type: none"> Siding along auditorium requires replacement due to end of life 	\$22,500	2025
Wander Guard Replacement <ul style="list-style-type: none"> Moved from 2022 	\$35,000	2025
Exterior walls- repoint and replace bricks <ul style="list-style-type: none"> Refurbishing and replacing worn bricks for security and structure (adjustment of cost from \$8,500 in previous forecast) 	\$39,300	2025

Rockwood Terrace

The proposed levy requirement of \$145,600 maintains the funding in the 2022 approved budget. In comparison, the 2021 capital levy requirement was \$307,700; the levy was reduced when the 2022 budget was finalized and is considered sufficient for the current site.

There is a need to provide a safe, comfortable environment while balancing the cost to maintain the building. Similar to previous years, funds are provided for windows, flooring, plumbing fixtures and electrical in the event that replacements are required prior to occupancy of the new home in 2026. There are very few changes from the previous forecast.

The 2023-2025 changes are reflected in the following table.

Project	Cost	Year Scheduled
Medical Equipment Pill crushers (3), Air purifier	\$5,000 and \$10,000	2023 and 2024
Kitchen Equipment <ul style="list-style-type: none"> Equipment at end of life (5 qt mixer, processor, coffee maker) 	\$5,000	2023

Redevelopment

The proposed capital forecast includes a \$1,361,000 transfer to reserve for the redevelopment

of Rockwood Terrace; this amount is unchanged from prior forecasts and represents the funds that became available when the debenture payment for the renovation of Lee Manor was completed. Reserve funds are expected to be fully used in 2023 to cover estimated costs; beginning in 2024, a construction loan would be required with a debenture issued when the project is completed in mid-2026.

Colliers Project Leaders presented costing for redevelopment options to the Long-Term Care Redevelopment Committee at the March 3, 2022, meeting. At the March 17, 2022, meeting, the Committee discussed report CAOR-RP-02-22 and directed staff to move forward with Option 2, being the development of a long-term care home, assisted living facility, and village square. The Class D estimate based on a concept sketch design provided an estimated project cost of \$108,498,050 with a cost estimate accuracy of $\pm 20\text{-}30\%$. A Class C estimate based on a schematic design with a cost estimate accuracy of $\pm 15\text{-}20\%$ is anticipated in December 2022.

Financial and Resource Implications

The capital reserves for the long-term care homes are maintained as individual entities; however, staff considers the three long-term care homes as a portfolio.

Rockwood Terrace has sufficient reserve funds, which will be beneficial to offset the cost of unbudgeted capital expenditures in future years if required. Lee Manor and Grey Gables have some larger projects anticipated in the upcoming years which impact the individual home reserves; however, reserves will be redistributed as required across the three homes.

The Building Condition Assessment and Reserve Fund Study was used to identify priorities, staff then compared against their own assessment and determined whether the timing of a project should be adjusted.

The proposed capital levy requirement for Grey Gables and Lee Manor is in line with the previous capital forecast, with the requirement for Rockwood Terrace remaining at the 2023 approved budget amount. Reductions were made on a one-time basis during the 2022 budget process in order to reduce the impact of operating budget pressures.

As a result, the Long-Term Care proposed 2023 capital requirement totals \$2,026,200, an increase of \$166,200 or an 8.9% increase over the 2022 approved capital budget.

Relevant Consultation

- Kim Wingrove- CAO, Mary Lou Spicer – Director of Finance
- External Building Condition Assessment

Appendices and Attachments

[Attachment to LTCR-CM-14-22 Long Term Care Summary 2023-2032 Ten Year Capital Forecast](#)

[Attachment to LTCR-CM-14-22 LTC Redevelopment 2023-2032 Ten Year Capital Forecast](#)

[Attachment to LTCR-CM-14-22 Grey Gables 2023-2032 Ten Year Capital Forecast](#)

[Attachment to LTCR-CM-14-22 Lee Manor 2023-2032 Ten Year Capital Forecast](#)

[Attachment to LTCR-CM-14-22 Rockwood Terrace 2023-2032 Ten Year Capital Forecast](#)

[Attachment to LTCR-CM-14-21 LTC Redevelopment 2022-2031 Project Sheets](#)

[Attachment to LTCR-CM-14-22 Grey Gables 2023-2032 Project Sheets](#)

[Attachment to LTCR-CM-14-22 Lee Manor 2023-2032 Project Sheets](#)

[Attachment to LTCR-CM-14-22 Rockwood Terrace 2023-2032 Project Sheets](#)