



# Committee Minutes

## Long Term Care Redevelopment Planning Task Force

March 17, 2022 – 1:00 PM

The Long-Term Care Redevelopment Planning Task Force met on the above date through electronic means with the following members in attendance:

Present: Chair Burley, Councillors O’Leary, Milne, Robinson, McQueen, Mackey, and Warden Hicks

### Staff

Present: Kim Wingrove, Chief Administrative Officer; Anne Marie Shaw, Director of Community Services; Jennifer Cornell, Director of Long-Term Care; Heather Morrison, Clerk; Mary Lou Spicer, Director of Finance; Karen Kraus, Executive Director-Rockwood Terrace; and Rob Hatten, Communications Manager.

Guest: Andrew Rodriguez, Project Manager, Colliers Project Leaders

## Call to Order

Chair Burley called the meeting to order at 1:00 pm.

## Declaration of Interest

There were no declarations of interest.

## Report

### CAOR-RP-02-22 Financial Impact Assessment Rockwood Terrace Project

CAO Kim Wingrove provided an overview of the report for the taskforce. She noted that the consultants are seeking direction from the taskforce on the scope of work moving forward regarding the build options. The current options include building a long-term care home only, a long-term care home with assisted living and village square, or a full campus of care with seniors’ apartments/independent living. The consultants are also

seeking approval to proceed with the option chosen based on the provided estimates as well as the preferred procurement option.

Staff spoke to the determination of scope including what will provide the best quality for residents and staff, impact of overall construction plan and design, affordability, and the financial impact of delaying the independent living/seniors' apartments.

Jennifer Cornell provided an overview of each of the key features in the long-term care design including room design, dining room enhancements, infection control and community feeling. Staff confirmed that the dining room will be open to allow for optimal traffic flow in and out of the area.

Discussion occurred on the programming offered and how that can be incorporated into the new design with adequate recreational areas for resident activities. Ms. Cornell noted that community gardens are an essential part of the new design and Ms. Kraus spoke to the additional recreational areas that will be available to residents. Staff confirmed that each home area will have 32 residents with a design of smaller sub-home areas of 16 residents to enhance resident quality of life. The dining areas will be designed for each home area split into two areas to provide a more home-like atmosphere.

The interconnectivity between the long-term care home and the assisted living area was then discussed. Staff outlined the benefits of the current design, shared recreational opportunities, use of the village square and shared services among other interconnectivity opportunities. Mr. Rodriguez noted that some arrangements would need to be made during the initial construction phase to allow for future expansion opportunities.

Staff outlined the work completed to date on the project including the development of a site plan and facility design.

The costing for each of the three options was then outlined noting that the costs have risen 33% since the feasibility stage was completed a year ago.

The long-term care home only option (Option 1) would have a total project cost of \$75,287,986 and require an increase of \$1,447,351. Information related to the specific costs was reviewed including up-front costs associated with hydro, gas, roads, water, and wastewater. It was also noted that any future expansion considerations will likely become costly and could be disruptive to both residents and staff in long-term care.

The long-term care home, village square and assisted living option (Option 2) would have a total project cost of \$108,498,050 and require an increase of \$3,573,192. This option provides a broader scope of services, amenities and a quality experience for staff, residents, and families.

The full campus of care option (Option 3) would have a total project cost of \$139,532,550 and would require an increase of \$5,282,280. The borrowing for this full project would take the County close to the ceiling of its debt limit.

Mary Lou Spicer then spoke to the County's borrowing limits. She noted that a Debt Management Policy was approved by Council in April 2020 which determined that County's limit should not exceed 10% of its own source revenue. She noted that *The Municipal Act* provides authority for a debt repayment limit of 25% of own source revenue.

She then highlighted the 10-year capital forecast which includes future capital projects. These include items such as road and structure construction as well as investments in human services capital project needs like affordable housing. She then outlined considerations related to increases to the County levy. She noted that Option 3, being the full campus of care would have an 8.29% levy increase, Option 2, being the long-term care, assisted living and village square would have a 5.61% increase and Option 1, being the long-term care build only would have a 2.28% increase. She noted that a debenture term of 25 years is recommended. It was noted that an increase to the transfer to reserve that could be phased in would be recommended in order to build towards the amount required for the debenture payment.

Kim Wingrove spoke to potential revenue sources that may be available to offset a portion of the costs associated with the project. These may include an option to sell a portion of the land in Durham upon completion of the new Rockwood Terrace build as there may be up to 22 acres available; potential grant funding to support future development of independent living/seniors' apartments, the sale of the current County Housing building located on Queen Street South in Durham once the proposed independent living building is constructed, as well as the sale of the current Rockwood Terrace property once the new long-term care home is completed. Ms. Wingrove noted that there is ongoing work with Western Ontario Warden's Caucus, Eastern Ontario Warden's Caucus and AMO related to affordable housing.

Questions from the task force members related to future capital projects and how the various options impact the County's ability to complete these projects. Staff noted that currently there are \$245 million worth of capital projects in the 2022-2031 10-year capital forecast include essential elements in order to keep the County's assets in proper repair; significant increases in costs have occurred since the forecast was developed. It was noted that a review of a scaled back 10-year capital forecast to essential work only may be required in the future.

Discussion occurred on the financial impact of the worst- and best-case scenarios for project funding. It was noted that the design is at a conceptual stage now and the only

way to get more accuracy is to move the project to a tender ready state. Andrew Rodriguez noted this is a best practice approach as the design develops.

Ms. Wingrove noted that there is uncertainty on both the expenditure and revenue side of this project. If there is a period of rising inflation, this may impact resident's livelihood and add increases to the levy. The timing of the project relative to the pending provincial election was also noted.

Ms. Spicer outlined the potential deficits for each option noting long-term care only would have an annual operating deficit of \$1.7 million, long-term care, assisted living and village square could have a deficit of \$719 thousand, and the full campus of care model could see a deficit of \$138 thousand based on the current projections provided by Colliers. It was noted that the feasibility study looked at the supply and demand to establish the 40-bed assisted living quantity.

Members noted the market volatility and the increase in costs over the past year as well as the impact on the levy and impact on the annual repayment limit as areas of concern.

Discussion on the options from the task force members then commenced.

Questions arose on the status of Grey Gables. Ms. Wingrove noted that Council's decision to place Grey Gables on hold has been communicated to the province and therefore the project remains paused at this time.

Staff were asked about the revenue enhancements from selling a portion of the property. The funds realized would not be significant as compared to the total project costs unless the County took on a much larger role in developing the property. This would require additional County investment.

#### *Main Motion*

Moved by: Councillor Robinson    Seconded by: Councillor Milne

**That Report CAOR-RP-02-22 Financial Impact Assessment  
Rockwood Terrace Project be received; and**

**That the taskforce provide direction on the scope and cost of future  
work to be undertaken; and**

**That the taskforce provide direction on the preferred procurement  
option as required.**

#### *Amendment #1*

RP-01-22    Moved by: Councillor O'Leary    Seconded by: Councillor Robinson

**That the main motion be amended to replace the final two clauses with the clauses below:**

**That the Long-Term Care Redevelopment and Planning Task Force direct staff to move forward with Option 2, being the development of a long-term care home, assisted living facility and village square.**

Councillor Burley asked for a recorded vote.

In favour-D. Burley, S. Hicks, B. O'Leary, S. Mackey, P. McQueen, B. Milne, C. Robinson

Opposed-none

The motion was Carried 7 to 0

Kim Wingrove spoke to the P3 (public-private partnership) model considerations. It was noted that P3 partnerships provide for private sector entities to contract with the County to design, construct, operate and maintain a campus of care with contracts generally lasting 25-30 years.

Staff spoke to the procurement option and an alternative to the standard CCDC 2 contract (Canadian Construction Document Committee), or design, bid, build model is the P3 model. This would require a carefully vetted contract between the County and a private partner, a contract management piece, with an unknown financial certainty over the length of the contract normally being 25-30 years.

*Amendment #2*

RP-02-22      Moved by: Councillor Milne      Seconded by: Councillor Mackey

**That Colliers be directed to use a Canadian Construction Documents Committee (CCDC 2) stipulated price contract procurement process; and**

**That staff be directed to amend the current agreement with Colliers Project Leaders and Kasian Architects in order to cover the additional scope of work.**

Councillor Burley requested a recorded vote.

In favour-D. Burley, S. Hicks, B. O'Leary, S. Mackey, P. McQueen, B. Milne, C. Robinson

Opposed-none

The motion was Carried 7 to 0

*Main Motion as Amended*

RP-03-22 Moved by: Councillor Milne Seconded by: Warden Hicks

**That Report CAOR-RP-02-22 Financial Impact Assessment Rockwood Terrace Project be received; and**

**That the Long-Term Care Redevelopment and Planning Task Force direct staff to move forward with Option 2, being the development of a long-term care home, assisted living facility and village square; and**

**That Colliers be directed to use a Canadian Construction Documents Committee (CCDC2) stipulated price contract procurement process; and**

**That staff be directed to amend the current agreement with Collier Project Leaders and Kasian Architects in order to cover the additional scope of work.**

Carried

## Other Business

Discussion occurred on the next steps for the development of the additional lands. Ms. Wingrove noted that planning work is underway with West Grey on the overall site plan. Work is occurring through the planning departments to gather more details related to the site servicing for the area to be used for the long-term care, assisted living and village square components. The remaining 22 acres will be the next item for review by the consultants.

It was noted that, although Grey Gables has been placed on hold by County Council, there is still community interest in the project moving forward in the future. Staff noted there is no further action to be taken at this time.

## Next Meeting Dates

To be Determined

On motion by Councillors O'Leary McQueen the meeting adjourned at 2:59 PM.

Dwight Burley, Chair