



Committee Report

To:	Chair Burley and Members of the Committee of Management
Committee Date:	June 9, 2020
Subject / Report No:	LTCR-CM-17-20
Title:	2021-2030 Ten Year Capital Forecast
Prepared by:	Shannon Cox, Executive Director Grey Gables Stacey Goldie, Executive Director Lee Manor Karen Kraus, Executive Director Rockwood Terrace
Reviewed by:	Jennifer Cornell, Director of Long Term Care Joanna Alpajaro, Deputy Treasurer
Lower Tier(s) Affected:	All Grey County
Status:	Recommendation adopted by Committee as presented; Endorsed by County Council June 25, 2020 per Resolution CC62-20;

Recommendation

1. That Report LTCR-CM-17-20 regarding the Long Term Care 2021-2030 Draft Ten Year Capital Forecast be received; and
2. That it be forwarded for inclusion in the Corporate Ten Year Capital Forecast 2021-2030 for consideration by County Council; and
3. That the projects proposed in the First Year of the 2021- 2030 Ten Year Capital be used for planning purposes for the 2021 Budget.

Executive Summary

The capital forecast submissions set out proposed plans and rationale for future capital spending. The 2017 Building Condition Assessment and Reserve Fund (BCA) were used in the development of the capital forecast. Costing for proposed projects have been adjusted to reflect the current and anticipated market value for the projects.

Background and Discussion

There are several items 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 in place as recommended in the 2017 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 detailed project sheet is included in the packages that outlines a plan for future transfers to reserves to address future funding requirements. With the preparation of the 2021-2030 ten-year capital forecast, staff have reviewed projects recommended in the BCA report and have made revisions/deletions and additions to the 2021-2030 10 year capital forecast. These changes are outlined below with particular attention paid to 2021-2023.

Safety, legislation and normal life cycle replacement have all been considered in the development of the proposed capital forecast.

Grey Gables

The changes in the proposed 2020 capital forecast that impact 2021-2023 are outlined in the following table.

Project	Cost	Year Scheduled
Laundry Equipment <ul style="list-style-type: none"> Portion of the project will be carried forward due to challenges in completing work during COVID-19 restrictions Required to meet TSSA Gas Code changes and structural changes. 	\$25,000	2021
Retaining Wall <ul style="list-style-type: none"> Entire project will be carried forward due to challenges in completing work during COVID-19 restrictions 	\$20,000	2021
Surface Drainage and Eavestrough <ul style="list-style-type: none"> Was originally booked in 2023 for \$20,000 Moved to 2021 and increased by \$15,000 	\$35,000	2021
Doors (entrance, interiors, systems)	\$30,000	2021

Project	Cost	Year Scheduled
<ul style="list-style-type: none"> Originally booked in 2026 for \$40,600 Moved to 2021 and amount of project decreased by \$10,600 		
Parking Lot, Curbs and Guards <ul style="list-style-type: none"> Originally booked for 2021 for \$453,500 Moved to 2024 to coincide with redevelopment and hospital build Amount of project increased by \$27,800 	\$481,300	2024
Window Sill Replacement <ul style="list-style-type: none"> End of life replacement. This is a new project. 	\$25,000	2021
Plumbing Fixtures Replacement <ul style="list-style-type: none"> End of life replacement. This is a new project. 	\$20,000	2021
Painting of Common Rooms, Hallways <ul style="list-style-type: none"> Project deleted, this work is completed annually as needed through operating 	\$16,000 & \$17,900	2021 & 2022
Re-Caulking <ul style="list-style-type: none"> Project deleted, this work is completed annually as needed through operating 	\$13,000	2023

Lee Manor

The previously identified projects for 2021 have been reviewed. The 2021-2023 changes from the 2020 capital project planning document are reflected in the following table.

Project	Cost	Year Scheduled
Caulking/Sealant <ul style="list-style-type: none"> Project deleted, this work is completed annually as needed through operating. 	\$55,000	2021

Project	Cost	Year Scheduled
Redevelopment of Resident Common Area and Staff Area on Main Floor <ul style="list-style-type: none"> Entire project will be carried forward due to challenges in completing work during COVID-19 restrictions Increase of \$2,000 to project 	\$102,000	2021
Blanket / Towel Warmers <ul style="list-style-type: none"> Required to reduce responsive behaviours and to provide comfort after responsive behaviours, purchasing two additional blanket warmers so that all residents have access to this benefit. This is a new project. 	\$10,000	2021
Furniture – Resident Lounges and Dining Rooms <ul style="list-style-type: none"> End of life replacement, furniture showing signs of age. This is a new project. 	\$50,000	2021
Draperies / Blinds <ul style="list-style-type: none"> End of life replacement, showing signs of age. This is a new project. 	\$25,000	2022

Rockwood Terrace

Staff work diligently to review and schedule capital projects. There is a need to provide a safe, comfortable environment while balancing the need to redevelop. Projects for window and flooring are budgeted at \$20,000 and \$50,000 per year respectively and \$10,000 is budgeted for plumbing fixtures which allows for the most imminent needs to be met.

Depending on risk and construction delays the projects may be realigned in future years. Redevelopment must be completed within 4 ½ years therefore capital needs for Rockwood Terrace have not been addressed past 2025. The 2021-2023 changes from the 2020 capital project planning document are reflected in the following table.

Project	Cost	Year Scheduled
Caulking/Sealant <ul style="list-style-type: none"> Project deleted, this work is completed annually as needed through operating. 	\$23,200	2021
Blanket / Towel Warmers <ul style="list-style-type: none"> Originally booked \$20,000 for the purchase of four blanket/towel warmers Decrease of \$8,400, will only purchase two warmers 	\$11,600	2021

Redevelopment

The proposed capital forecast includes a \$1,361,000 transfer to reserves for the future redevelopment of Rockwood Terrace. This annual transfer was initiated a few years ago as the debentures for the renovations at Lee Manor were paid off and are available to offset the cost of construction.

With confirmation of title to the property in Durham for the new facility, the province will commence the funding and licensing approval process. This is anticipated to take several months. Upon receipt of those approvals, Grey County could seek an architect or a design-build firm. At this time, staff are developing the overall concept for the property to fulfill the West Grey planning requirements for site development.

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 (i.e. replacement of air make up system in 2030 at Lee Manor) which impact the individual home reserves, however reserves will be redistributed as required across the three homes. In addition, the balance in the Administration Pay Equity reserve will be transferred to Lee Manor's General Capital (BCA) Reserve in 2021 to assist with the cost of these larger projects in upcoming years.

The Building Condition Assessment and Reserve Fund Study was used to identify priorities. Excluding the amount set aside for debenture payments, the 2021 forecast utilizes existing capital reserves to complete the recommended projects while holding to a 2% increase over 2020. The total net levy for 2021 is \$2,184,000 which requires a net levy increase of \$16,200 or a 0.75% increase from the 2020 approved capital budget.

Relevant Consultation

- ☒ Kim Wingrove- CAO, Kevin Wepler- Director of Corporate Services.
- ☒ External Building Condition Assessment

Appendices and Attachments

[Attachment to LTCR-CM-17-20 Long Term Care Summary 2021-2030 Ten Year Capital](#)

[Attachment to LTCR-CM-17-20 Redevelopment Summary 2021-2030 Ten Year Capital](#)

[Attachment to LTCR-CM-17-20 Grey Gables Summary 2021-2030 Ten Year Capital](#)

[Attachment to LTCR-CM-17-20 Lee Manor Summary 2021-2030 Ten Year Capital](#)

[Attachment to LTCR-CM-17-20 Rockwood Terrace Summary 2021-2030 Ten Year Capital](#)

[Attachment to LTCR-CM-17-20 Redevelopment Project Sheets](#)

[Attachment to LTCR-CM-17-20 Grey Gables Project Sheets 2021-2030](#)

[Attachment to LTCR-CM-17-20 Lee Manor Project Sheets 2021-2030](#)

[Attachment to LTCR-CM-17-20 Rockwood Terrace Project Sheets 2021-2030](#)