



Committee Report

To:	Chair Burley and Members of the Committee of Management
Committee Date:	June 12, 2018
Subject / Report No:	LTCR-CM-21-18
Title:	2019-2028 Ten Year Capital Forecast
Prepared by:	Lynne Johnson, Director of Long Term Care Joanna Alpajaro, Financial Analyst
Reviewed by:	Kim Wingrove, Chief Administrative Officer
Lower Tier(s) Affected:	All Grey County
Status:	

Recommendation

- 1. That Report LTCR-CM-21-18 regarding the Long Term Care 2019-2028 Draft Ten Year Capital Forecast be presented and forwarded for inclusion in the Corporate Ten Year Capital & Extra-Ordinary Expenditures Forecast for consideration by County Council; and**
- 2. That the First Year of the 2019- 2028 Ten Year Capital be used for planning purposes for the 2019 Budget.**

Executive Summary

The proposed capital budget submissions are important as they set out proposed plans for future capital spending and attempt to provide sufficient information for Councilors to make informed decisions. The 2017 Building Condition Assessment and Reserve Fund (BCA) were used in the development of the capital forecast. Costing for proposed projects has been adjusted to reflect the current and anticipated market value for the products.

Background and Discussion

There are several items common to the three homes including: High-Low Beds, Resident Lifts and Computers. 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 that is 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 outline a plan for future transfers to reserves to address future funding requirements. With the completion of the most recent BCA report and review by staff, several new items have been identified for future capital. They are outlined below with particular attention paid to the upcoming 5 years.

Grey Gables

The previously identified projects for 2019 have been reviewed and some new projects were identified in the most current BCA. The 2019-2021 changes from the 2018 capital project planning document are outlined in the following table.

Project	Cost	Year Scheduled
Front Entrance Door <ul style="list-style-type: none"> • Out of alignment • Impacts a number corresponding security features (mag locks, automatic door assist, wander guard system) 	\$10,000	2019
Retaining Wall	\$16,000	2019
Generator <ul style="list-style-type: none"> • Original to the building • Undersized for current loads 	\$120,000	2020
Hot Water Tank <ul style="list-style-type: none"> • Replacement 	\$12,500	2020
Interior Walls <ul style="list-style-type: none"> • Continued painting of walls in corridors and common living spaces. 	\$16,000	2021

Lee Manor

The previously identified projects for 2019 have been reviewed and some new projects identified in the most current BCA. The 2019-2021 changes from the 2018 capital project planning document are outlined in the following table.

Project	Cost	Year Scheduled
Blanket Warmers <ul style="list-style-type: none"> • Soothing and effective in reducing responsive behaviours 	15,000	2019

Project	Cost	Year Scheduled
Caulking/Sealant <ul style="list-style-type: none"> Previously budgeted \$55,000 for 2019 has been deferred to 2021 A smaller amount of work to be undertaken in 2019 	\$12,000	2019
Home Area Refrigerators and Kitchen Hold-over Refrigerator <ul style="list-style-type: none"> Replacement cost higher than previous budget Addition of the hold-over refrigerator in the kitchen 	\$35,000	2019
Driveway/Sidewalk Repair <ul style="list-style-type: none"> Cost higher than previous budget (\$3,000 increase) 	\$15,000	2019
Mechanical Air Makeup <ul style="list-style-type: none"> Previously scheduled for 2018, have engaged an engineer to provide the project specification and estimated cost of replacement 	\$80,000	2019
Courtyard Renovations <ul style="list-style-type: none"> West courtyard completed in 2015 Project will provide an additional secure resident outdoor area with improved shade and drainage. 	\$135,000	2019
Dietary Equipment <ul style="list-style-type: none"> Replacement based on end of life Annual allocations redefined based on BCA and kitchen equipment assessment 	\$15,000-\$20,000 annual	2020-2021
Floor Replacement <ul style="list-style-type: none"> Increase of \$75,000 includes the replacement of flooring in basement hallways 	90,000	2020

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.

The previously identified projects for 2019 have been reviewed and some new projects identified. Depending on risk and construction delays the projects may be realigned in future years. Redevelopment must be completed within 6 ½ years therefore capital needs for Rockwood Terrace have not been addressed past 2025. The changes for 2019-2021 from the 2018 capital project planning document are outlined in the following table.

Project	Cost	Year Scheduled
Kitchen Equipment <ul style="list-style-type: none"> Replacement of a steamer, blixer and warming unit 	\$35,000	2019
Medical Equipment <ul style="list-style-type: none"> Urine chemistry tester 	\$11,500	2019
Medical Equipment <ul style="list-style-type: none"> Electronic vital signs monitors 	\$12,000	2020
Therapeutic Chair <ul style="list-style-type: none"> For responsive behaviours 	\$18,000	2020
Caulking of Building <ul style="list-style-type: none"> BCA recommendation 	\$23,200	2021
Elevator Code <ul style="list-style-type: none"> BCA recommendation 	\$11,000	2021
Blanket Warmers <ul style="list-style-type: none"> Soothing and reduce responsive behaviours 	\$20,000	2021

Legal and Legislated Requirements

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

Financial and Resource Implications

A review of capital reserves was completed as part of the process. Rockwood Terrace has a healthy reserve fund which will be beneficial to offset the cost of unbudgeted capital expenditures in future years if required.

The reserves at Lee Manor remain positive until 2021 when some larger projects (i.e. replacement of fire alarm system) are scheduled. By following the recommended schedule for transfers to reserve, the reserves are projected to return to a positive amount by 2022. Grey Gables is in a less favourable position. It is projected that the home will have a negative reserve balance in 2020 and return to a positive balance by 2039. Collectively, the reserves for all three homes remain in a healthy positive balance through to 2046. Staff considers the three long term care homes as a portfolio and the reserves will be redistributed as required.

The proposed capital budget also 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 will be available to offset the cost of construction.

The Building Condition Assessment and Reserve Fund Study was used to identify priorities. Excluding the amount set aside for debenture payments, the 2019 budget utilizes existing capital reserves to complete the recommended projects while holding to a 2% increase over 2018. The total net levy for 2019 is \$2,198,440, which requires a net levy increase of \$16,420 or a 1.01% increase from the 2018 approved capital budget.

Relevant Consultation

- Internal Grey Gables, Lee Manor and Rockwood Terrace Senior Managers, Finance Department
- External Building Condition Assessment

Appendices and Attachments

[Attachment to LTCR-CM-21-18 LTC Redevelopment 2019-2028 Proposed Ten Year Capital Forecast](#)

[Attachment to LTCR-CM-21-18 Long Term Care Portfolio 2019-2028 Proposed Ten Year Capital Summary](#)

[Attachment to LTCR-CM-21-18 Grey Gables 2019-2028 Proposed Ten Year Capital Forecast](#)

[Attachment to LTCR-CM-21-18 Lee Manor 2019-2028 Proposed Ten Year Capital Forecast](#)

[Attachment to LTCR-CM-21-18 Rockwood Terrace 2019-2028 Proposed Ten Year Capital Forecast](#)