



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Information, Heritage and Seniors Committee
From: Shauna Calder, Manager of Finance
Date: Wednesday, November 10, 2021
Subject: Preliminary 2022-2031 Ten-Year Plan: Wellington Terrace

Background:

This forecast provides a high-level overview of major budget impacts and planned capital investments and serves as a guide for departments in preparing their detailed current year operating and capital budgets. The preliminary corporate ten-year plan will be considered by the Administration, Finance and Human Resources Committee on November 16, 2021 and the forecast will be updated at the time the budget is approved early in the New Year.

Major Operating Budget Impacts

Staff are in the process of compiling the detailed 2022 operating budgets for each department. Major items reflected in the 2022 Wellington Terrace Operating Budget include the following:

Revenues

- Provincial funding has increased \$1.7 million from the 2021 budget. The majority of this increase (\$1.5 million) comes as a result of a new funding commitment from the province in response to the Commission Report. The objective of this funding is to increase direct hours of care to four hours per resident per day by 2024-25, and to increase the average worked hours of allied health professionals to 36 minutes per resident per day by 2022-23. A funding commitment has been received to March 31, 2025 and this level of funding has been included in the budget and ten-year plan. The remaining funding increase of \$200,000 is a combination of one time COVID funding, Medication Safety Technology Funding, and funding to support professional growth.
- The County's funded Case Mix Index (CMI) decreased from 102.73 to 100.80. This decrease was offset by an increase in the Global Level of Care per diem which rose to \$7.27 from the previous rate of \$4.50.
- In addition to the regular monthly funding received by the Terrace, additional claims based funding for High Intensity Needs can be accessed when staffing and transportation expenses for additional support for a resident meets the Ministry criteria. No revenue or expense is budgeted for this as it is directly based on need, and revenue received will be offset by the related expenses.
- Resident co-payment rates are set by the Ministry of Health and Long-Term Care. The increase of 1.9% originally planned for July 1, 2020 was delayed several times as a result of COVID-19. This increase will now take place January 1, 2022 and has been included in the preliminary budget resulting in an increase in revenues of \$54,000.
- Basic Rooms – increase of \$1.18 (1.9%) per day from \$62.18 to \$63.36.
 - Although this is the rate set provincially, residents in basic rooms are eligible to apply for a rate reduction based on income. Approved rate reductions decrease the resident revenue received by the Terrace. This revenue loss is offset by Provincial funding. The estimated actual basic room revenue per day in 2022 is \$59.64.

Expenses

- In year staffing adjustments were made in 2021 for a total of -0.2 FTE. The total 2021 budget decrease is \$24,000 as detailed below:
 - The existing Infection Control Nurse contract was extended for an additional six months to April 2022 and funded through the use of provincial money.
 - A staffing review resulted in four part-time Neighbourhood Clerk positions and one part-time Office Clerk position being repurposed to create three full-time Neighbourhood Clerks. This staffing compliment better aligns with the work required, and resulted in \$24,000 in savings to the County.
- The preliminary 2022 budget includes the addition of two part-time Personal Support Workers to create equal staffing levels in all areas of the home. This is in response to the higher acuity levels of residents being admitted. In addition, a \$200,000 staffing provision has been added. This provision is intended to allow a complete analysis of the guidelines that are attached the \$1.5 million in new funding mentioned earlier in this report. Any required staffing changes will be reflected in the updated budget figures brought forward in January.
- Supplies, Material and Equipment has been increased by approximately \$79,000 to allow for increased food and infection control costs.
- Purchased Services has been increased by \$40,000, which is mainly related to increased mechanical system costs required on additional lifts installed in 2021, and the reallocation of snow removal costs from Wellington Place to the Terrace.

Transfers

The transfer from reserve line represents the use of the Shared Services Stabilization Reserve in the amount of \$219,300 in 2022 to offset the additional staffing and infection control costs that are related to the COVID-19 pandemic. In the event that ministry funding is received by Long Term Care for these costs, this transfer will not take place.

Capital Budget Forecast

In accordance with the Budget Management Policy, capital works include those initiatives that have a long-term benefit to the corporation and whose capital cost is at least \$25,000. Capital budgets are presented as inflated by 3.5% per year, which represents the five-year average of the non-residential construction price index. Highlights of the capital forecast are as follows:

Equipment and Technology - Life cycle replacements include IT infrastructure, nursing and nutrition services equipment and the resident van. Projects total \$1.6 million over the forecast.

Facility Improvements - Staff continue planning for life cycle replacements and repairs on building components and site elements. Projects total \$2.1 million over the ten years.

Preliminary 2022-2031 Budget

The net County cost of operating the Wellington Terrace is projected to be just over \$8.9 million in 2022. The detailed 2022 operating budget and revised ten-year plan will be presented to the Committee in January. Attached to this report is the current proposed ten-year operating budget and ten-year capital budget for the Wellington Terrace.

Recommendation:

That the preliminary 2022-2031 Wellington Terrace capital budget forecast and major operating budget impacts as set out in this report be endorsed and forwarded to the Administration, Finance and Human Resources Committee for inclusion in the County of Wellington's Preliminary Ten-Year Plan.

Respectfully submitted,



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