



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 9, 2022
Subject: **Preliminary 2023-2032 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 29, 2022 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 2023 operating budgets for each department. Major items reflected in the 2023 Wellington Terrace Operating Budget include the following:

Revenues

- Provincial funding has increased \$775,000 from the 2022 budget. The majority of this increase (\$755,000) comes as a result of the funding commitment received in 2021 to increase direct care hours within Long-Term Care. The remaining funding increase is a combination of higher Level of Care funding (\$262,000) offset by reductions in committed COVID funding (\$160,000) and the ending of one-time funding to support medical growth and Medication Safety Technology funding.
 - The County's Case Mix Index (CMI) has remained unchanged from 2022 despite higher levels of acuity being experienced.
 - 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 revenue is expected to decrease \$50,000 as a result of the continuation of the Alternate Level of Care (ALC) programme. The province has committed to providing funding to offset lost revenues.

Expenses

- In-year staffing adjustments made in 2022 include the addition of an Employee Support Clerk. This position was created to assist with the onboarding and support of new staff along with other administrative tasks and the total cost \$99,000 is funded through provincial dollars. A reduction in staff hours was also made to reflect the changes in swabbing requirements recently made by the province. This was a reduction of \$60,000.
- The salaries, wages and benefits line includes the previously approved increase to shift premiums as well as a provision of \$100,000 to allow for potential staffing changes tied to the Direct Care Staffing funding.

- Supplies, Material and Equipment has been increased by approximately \$62,000. A one-time cost of \$15,000 related to security camera upgrades is included in this line.
- Purchased Services has been increased by \$96,000, which is mainly related to increased grounds maintenance costs and utilities and other inflationary pressures.

Transfers

The transfer from reserve line represents the use of the Shared Services Stabilization Reserve in the amount of \$394,100 in 2023 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. Where applicable, capital budgets are presented as inflated by 15% for 2023, 5% for 2024 and 3.5% for 2025-2032. The inflation factor for 2023 represents the current non-residential construction price index. It is anticipated that inflation will return to historical levels and the future forecast reflects this expectation. 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 \$2.4 million over the forecast.

Facility Improvements – Staff continue planning for life cycle replacements and repairs on building components and site elements. Projects total \$2.4 million over the ten years.

Preliminary 2023-2032 Budget

The net County cost of operating the Wellington Terrace is projected to be just over \$9.6 million in 2023. The detailed 2023 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 2023-2032 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,



Shauna Calder, CPA, CGA
Manager of Finance