

Use of the Homes for the Aged Capital Reserve for Life Safety Projects

(City Council on December 14, 15 and 16, 1999, adopted this Clause, without amendment.)

The Policy and Finance Committee recommends the adoption of the following report (November 12, 1999) from the Commissioner of Community and Neighbourhood Services:

Purpose:

The purpose of this report is to obtain approval for the Homes for the Aged Division to draw on funds available in the Homes for the Aged (HFA) Capital Reserve, to proceed with several projects which will improve the life safety and general safety features of the Homes.

Financial Implications and Impact Statement:

The HFA Capital Reserve was established in 1998, with one-time transition funding provided by the Ministry of Health and Long Term Care. It was established with the express purpose of funding health and safety related projects and/or minor capital upgrades that are no longer co-funded by the Ministry of Health and Long Term Care under the new provincial capital funding policy. The uncommitted balance in the HFA Capital Reserve at present is \$6,482,000.00.

The Division was successful in negotiating a one-year extension to the Ministry of Health and Long Term Care's transition funding. Therefore, as reported in the June 30, 1999 Corporate Variance Report, there is approximately \$5.5 million in additional supplemental funding available for transfer to the HFA Capital Reserve.

The Reserve will also be maintained by regular deposits received from the Ministry of Health and Long Term Care in the accommodation envelope of the Homes' funding, that is directed as a structural compliance premium. The annual amounts of this additional funding is estimated to be at least \$612,000.00 in 1999 and \$738,000.00 in 2000.

The Finance Department has been consulted with respect to the expenditure request included in this report and agrees that funding for the projects is available within the reserve.

Recommendations:

It is recommended that:

- (1) staff be authorized to proceed with the life safety and general safety upgrades identified in the body of this report, to be completed by the beginning of 2001, at a total combined expenditure of no more than \$2,025,000.00;
- (2) the HFA Capital Reserve Fund (current balance of \$6,482,000.00), established by City Council, be used as the source of funding for these retrofit requirements; and
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

City Council, by adoption of Clause No. 13 of Report No. 18 of the Strategic Policies and Priorities Committee on October 1, 1998, authorized the establishment of the HFA Capital Reserve. The Reserve is to be used by the Homes for the Aged Division to help fund health and safety related projects and/or minor capital upgrades that are no longer co-funded by the Province. The Ministry of Health and Long Term Care introduced a new capital funding policy for long-term care facilities in May 1998 at the same time as it published new long-term care facility design guidelines.

The Ministry of Health and Long Term Care's new capital funding policy was based on a Ministry review of all of Ontario's long-term care facilities, grouping them into four categories of "A" through "D", based on how closely each physical plant met the requirements of the new design guidelines. The new design guidelines considered things such as space (square footage) per resident, in both bedrooms' sizes and the availability of amenity space, the provision of ensuite washrooms, and general safety and life safety systems. The criteria used to determine the category of each facility is as follows:

- (1) Category "A" - These facilities have been assessed to meet the requirements of the new design guidelines.
- (2) Category "B" - These facilities exceed the 1972 nursing home standards, but do not fully meet the new design guidelines.
- (3) Category "C" - These facilities meet the 1972 nursing home structural standards, but do not exceed them in a substantial way. The large majority of long-term care facilities are in this category.
- (4) Category "D" - These facilities do not fully meet the 1972 structural standards (i.e., either all or a portion of the physical plant is non-compliant).

The City's ten Homes for the Aged (2,641 beds) were assessed as follows:

- Category “A” - Bendale Acres, Cummer Lodge
- Category “B” - Fudger House, Kipling Acres
- Category “C” - Castleview Wychwood Towers, Carefree Lodge,
Lakeshore Lodge, Seven Oaks
- Category “D” - Albion Lodge, True Davidson Acres

Staff are currently working on plans for the redevelopment of Albion Lodge and True Davidson Acres, including the preparation of business cases and preliminary drawings. Once these are completed, a full report will be forwarded to City Council, in order to seek approval to proceed with the capital projects. This report will provide details regarding the capital funding provided from the Ministry of Health and Long Term Care for the redevelopment of facilities categorized as “D”.

The City has appealed the rating of Lakeshore Lodge and Seven Oaks. The Ministry of Health and Long Term Care has not yet initiated its planned appeal process, nor have facilities received any confirmation regarding the dates that appeals will be heard.

Facilities categorized as “A”, “B”, or “C” receive an enhanced per diem payment, meant to recognize their full or partial compliance with the new design guidelines. Facilities categorized as “A” receive an additional \$1.50 per resident day; “B” facilities receive an additional \$1.25 per day; and “C” facilities receive an additional \$0.50 per resident day. All payments are made through the facilities’ operating budget, in the accommodation envelope, for transfer to a capital reserve.

For the City of Toronto, the categories assigned result in additional funding of approximately \$460,000.00 in 1998, \$612,000.00 in 1999, \$738,000.00 in 2000, and \$778,000.00 in 2001 and thereafter. The amount varies on an annual basis until the renovation of Cummer Lodge is completed. If the appeals of Lakeshore Lodge and Seven Oaks are successful, the amount will increase by approximately \$109,000.00 annually.

This funding is provided by the Ministry of Health and Long Term Care, for transfer to a Capital Reserve Fund, to be used for upgrades and/or retrofitting needs.

The Capital Reserve is viewed by the Homes for the Aged Division as the major source of funds for the retrofitting required in the eight Homes that have not been identified for mandatory upgrading. For example, staff of the Homes for the Aged have been working on a multi-year plan, and have identified the need for a number of capital upgrades. The upgrades identified to date can be classified into three distinct categories, namely: life safety systems, general safety systems, and quality of life issues.

This report seeks approval to proceed with a number of life safety and general safety projects, assessed by staff to be the most urgent.

Comments:

Throughout 1999, staff of the Homes for the Aged Division conducted an internal review of its Homes for the Aged, with respect to required and/or desired health and safety capital projects. The review prioritized projects, with the highest priority being assigned to life safety projects.

As a result of this review, the following projects are seen as appropriate at this time. Subsequent reports will identify other projects as more detailed information becomes available.

(1) Fire Safety System Upgrades:

- (a) link the carbon monoxide detectors to the emergency generators in all ten Homes, at an estimated cost of \$40,000.00;
- (b) upgrade the fire alarm system at four Homes, at an estimated cost of \$955,000.00;
- (c) upgrade the sprinkler system at three Homes, at an estimated cost of \$650,000.00;
- (d) upgrade door closures, etc. in three Homes, at an estimated cost of \$150,000.00;
- (e) upgrade the smoke detector system in one Home, at an estimated cost of \$40,000.00; and
- (f) upgrade fire dampers in two Homes, at an estimated cost of \$54,000.00; and

(2) General Safety System Upgrades:

- (a) upgrade electronic monitoring (for residents at risk to wander) in two Homes, at an estimated cost of \$35,000.00; and
- (b) replace the sliding entry way doors in two Homes, at an estimated cost of \$55,000.00.

The only improvement requested for Albion Lodge and True Davidson Acres (which have been classified as “D” facilities and for which staff are currently preparing business cases for redevelopment) or for Bendale Acres and Cummer Lodge (which have been classified as “A” facilities) is the improvement related to carbon monoxide detectors. This improvement is seen as a proactive strategy for all of the City’s Homes for the Aged.

The remainder of the upgrades are for those Homes which have been classified as “B” or “C”, facilities. As “B” or “C” facilities, these Homes are not entitled to receive capital funding from the Ministry of Health. Nonetheless, staff believe that the requested life safety and general safety upgrades requested are appropriate and will reduce risk to both residents and the City.

Each of the projects will be processed in accordance with established City purchasing policies. Pending City Council approval, staff anticipate that all of the projects identified will be completed by early 2001.

Conclusions:

The projects identified are all minor capital projects, which will improve the life safety and/or general safety of residents in the Homes for the Aged. The HFA Capital Reserve Fund was established in order to finance minor capital upgrades within the Homes that are not eligible for Ministry of Health and Long Term Care capital funding. The projects meet this criterion and when completed will decrease risk to residents and the City.

Other initiatives will be identified in the future, on a periodic basis, and will have their source of funding from the Capital Reserve Fund created for the Homes for the Aged.

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